DOMINION OF CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIFTH SESSION—TWENTY-FIRST PARLIAMENT

15-16 GEORGE VI, 1951

BEING THE 93RD SESSION FOR THE PERIOD 1867-1951

VOLUME II, 1951

(SECOND SESSION)

COMPRISING THE PERIOD FROM THE TWENTY-THIRD DAY OF NOVEMBER, 1951, TO THE TWENTY-NINTH DAY OF DECEMBER, 1951, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

HOUSE OF COMMONS

Friday, November 23, 1951

The house met at two o'clock.

NORTH ATLANTIC TREATY

CANADA'S CONTRIBUTION TO EUROPEAN DEFENCE —REFERENCE TO STATEMENT OF MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister): With your permission, Mr. Speaker, I should like to refer to the question of privilege raised by the leader of the opposition (Mr. Drew) on Wednesday with respect to certain statements reported to have been made by the Minister of National Defence at Rotterdam the previous day. The information I have received from the Minister of National Defence is to the following effect:

It was of course known to the press that Canada would be having a brigade group and eleven squadrons in Europe, and that that would require accommodation and airfields. It was indicated in the house on October 22 by the Minister of National Defence that airfields and accommodation were not available on the continent, and that the first of our squadrons would have to be sent to England pending the construction of airfields. The minister's declaration is to be found at page 280 of *Hansard* for October 22.

It was also known that the cost of construction would have to be met, and that we in Canada have always said that we expected to contribute our share. It was also known that our effort had been to ensure that this would be done in a way to avoid our becoming direct owners of property in Europe. The minister states that at the press conference in Rotterdam he did not give any figure of $100 million or any figure at all; that in fact no new information was given except as to the number of airfields required for eleven squadrons; that that was a figure which is arrived at by dividing the number of squadrons by the capacity of an airfield; and that no other new information whatsoever was supplied.

There were two news stories published in the Ottawa papers but our information is that one of those stories, at least in part, had been prepared before the press conference at Rotterdam. This matter is one that was covered by the communiqué of the NATO council meeting in Ottawa on September 20, 1951, and is referred to in paragraph 8 of that communiqué which reads as follows:

> The council noted that agreement had been reached on the financing of an "infrastructure"—

That is a new word which is put between quotation marks.

> —program of airfields, communications and certain installations for the support of forces. These projects will continue without delay.

I am satisfied that no new policy was announced, and that the minister would have been very careful not to announce any policy in that respect which had not been communicated to this house. It has been our firm intention, although this is something for which responsibility has to be taken by the government, to give full information to the house before attempting to carry out any decisions that are arrived at, in order that the house may have an opportunity of expressing its views upon the decisions and saying whether or not it is in agreement with those decisions.

Mr. George A. Drew (Leader of the Opposition): I submit, Mr. Speaker, that what has been put before the house by the Prime Minister (Mr. St. Laurent) does not adequately deal with the question of privilege which has been raised. The point of concern to the members of this house and to the people of Canada is the very ancient principle that the first responsibility of parliament is the control of money. It is not a question of whether members feel that they were slighted in not hearing about declarations of this kind first. The important thing is that neither the question of policy involving very heavy financial commitments, nor the undertaking to other nations through the press that we were going to make such commitments, should be made at any time without the elected representatives of the people in parliament deciding on such a point.

The Prime Minister has stated that he has been informed by the Minister of National Defence (Mr. Claxton) that he did not use the figures in the press conference to which reference has been made. Naturally, the Prime Minister is in the position where he has presented to the Minister of National Defence the reports that have appeared, and to which reference has been made. In relation to the words that were used, may I say that they were not statements of mine but were reports appearing in the press which were referred to

in this house in the remarks that I made. The Prime Minister has given the interpretation placed on the interview by the Minister of National Defence. I must say it is difficult to grasp the explanation made by the Minister of National Defence that the Canadian Press report went beyond what he said. In the first place, the Canadian Press dispatch was one which carried the name of one of the most famous Canadian war reporters, who since the war has been dealing particularly with military matters. I believe that every hon. member of this house will approve of my statement that Mr. Douglas How is one of the most highly regarded members of the press gallery. He gave us a detailed account starting with the words:

> Defence Minister Claxton said this morning in Rotterdam that Canada will foot the bill for the construction of four or five aerodromes in Europe.

Then, after explaining the fact that this statement was made at the time the Canadian 27th infantry brigade was being turned over to General Eisenhower, the report goes on:

> The aerodromes, he said, will cost $100 million.

I would be very reluctant to believe that Mr. Douglas How would make a statement of that kind unless it had been made, but the thing that makes it difficult to accept the explanation of the minister in this respect is that a similar statement was carried by the British United Press. It is a strange coincidence that they believed also the statement had been made in regard to Canada paying the building costs. Furthermore, a similar dispatch was carried by the United Press in the United States, and by Associated Press in the United States and throughout the world.

I believe it may indicate how difficult it is to understand any suggestion that there was an extension of the minister's remarks when I read this paragraph from an Associated Press dispatch from Rotterdam, dated November 21, which appeared in the New York *Herald Tribune* on November 22:

> Canadian defence minister Brooke Claxton said here today that Canada will build four or five new airstrips in western Europe to field an eleven squadron jet air division. He estimated the cost at $100 million.

It would indeed be a remarkable thing if at that press conference the representatives of several of the best known press agencies, for some reason, all introduced statements which had not actually been made by the minister. I would point out that in his remarks the Prime Minister has not referred to another statement, which was not made at Rotterdam but was made the day before, and which goes to this whole question as to whether or not statements of policy and commitments are being made outside of this parliament without parliament previously knowing about them. An earlier dispatch from The Hague dated November 20, and also signed by Mr. Douglas How of Canadian Press, contains a brief statement in regard to the arrival there of the Canadian contingent. Then it refers to the construction of barracks in Germany, and it deals very definitely with where they are to be and what is to be done. It reads in part as follows:

> Defence Minister Claxton announced last night that Canada is planning to erect permanent quarters for her 27th brigade in the Soest area of western Germany—a move which would put a garrison in that key area for any allied defence stand east of the Rhine.

Then further in that same dispatch I quote these words:

> . . . the minister said the barracks will be built by Germans, the work to start in the next few months and be completed late next year.

Further on in the same dispatch I quote these words:

> It is expected to cost between $5 million and $10 million.

That was a very definite statement of policy and commitment which has not been covered by the remarks of the Prime Minister, and which cannot be covered by any reference to the general statement of the Minister of National Defence of October 22, when he simply made a broad statement that aerodromes were not now available in Europe and in the meantime the squadrons were to be based in Britain, or any general reference to the fact that Canadian troops would be sent to Europe and trained there. Those are definite and positive statements which have appeared not only in Canada but in Europe and the United States.

I believe that this is a matter of considerable importance to all of us, having regard to the position in which we find ourselves in these difficult days. We should certainly be giving every assurance we can to our associates as to what we are doing. We certainly should be giving every assurance that we can as to our full participation in the joint effort for the preservation of peace and the defence of our western civilization. No word that I have used in reference to these dispatches can in any way be taken as a suggestion that I am objecting to Canada's accepting such responsibility as has been approved by this house and by the parliament of Canada. What I am pointing out is that statements of the Minister of National Defence at this particular time have more weight and are of greater importance than those of any other minister, when they are taken in relationship to the place where they were made and to the circumstances under which they were made.

Naturally the people of Canada look to the Minister of National Defence to tell them the facts and to inform them with regard to the defence situation and the things that we are doing. The statement in regard to the construction of barracks and the statement in regard to the construction of airfields, and the cost of those barracks and of those airfields, are things about which every Canadian is naturally greatly interested. Most of all the elected representatives of the people sitting here in this house have an interest and a duty in connection with such statements. But his statements over there have gone further than that. In explaining what Canada was doing in connection with the air, I find that in another Canadian Press dispatch from Rotterdam there is a reference to the eleven squadrons and to the part they are going to play. I quote from a Canadian Press dispatch from Rotterdam, of November 21, referring to the statement of the Minister of National Defence:

> Claxton told reporters that the production of Sabre jets at Montreal is the biggest phase of Canada's arms production. He said the Sabre can and does lick the Russian-built MIG-15 daily in Korea.

I think that those who have seen the Sabre jet in operation know that it is an immensely powerful aircraft with great speed. But I think that it is important to keep a sense of proportion in regard to these matters. I think the Canadian people should keep all our participation in a true perspective, and that the perspective should be properly delineated by the Minister of National Defence above all others. On the very same day that the minister was making in Rotterdam that statement which conveyed the impression of the superiority of the Sabre jet, the commander of the United States air force was making a statement in Washington which is something that should be in the minds of everyone if there is any thought of complacency. I quote from an Associated Press dispatch from Washington dated November 21:

> The Chinese communist air force has deployed in North China and Manchuria about 1,500 planes, approximately one-half of which are MIG-15 jet fighters. The MIG "in many respects can outperform our own F-86"; it has outclimbed the best airplanes that have been tested against it and performed in combat at altitudes approaching 50,000 feet.
>
> The MIG can fly "at speeds in excess of the speed of sound."

That is a quotation from an Associated Press dispatch from Washington on the same day as the other statement was made in Rotterdam. The reliability of these statements of the Minister of National Defence with regard to matters of defence assumes increasing importance; and I submit that the points of privilege which were raised in this house in respect of the statements as to policy and to commitments have not been answered by the Prime Minister, although I am sure the Prime Minister has fully interpreted the statement made to him by the Minister of National Defence. I submit, Mr. Speaker, that there is still much to be explained to this house as to why the Minister of National Defence was making statements of that kind in Europe, when the elected representatives of the people have not had an opportunity to pass on those extremely important decisions.

Mr. St. Laurent: I am not going to attempt any controversy on the accuracy or otherwise of the statements I received from the Minister of National Defence as contrasted with statements which have appeared in dispatches in the press. I obtained this information from the Minister of National Defence. I take it to be accurate, and I am putting it before the house as such.

With respect to the construction of barracks, I am afraid that the leader of the opposition did not read the whole of this clipping or dispatch from The Hague of November 20. In it there is this statement:

> In a talk with reporters aboard an RCAF plane which flew him swiftly on a three-stop flight around western Europe, the minister said the barracks will be built by Germans, the work to start in the next few months and be completed late next year.
>
> It is Canada's hope that a way can be found to prevent the Canadian government from becoming a land owner in Germany, that is, that this would become part of her contribution to the North Atlantic Treaty Organization without remaining Canadian property.

It seems to me that that is quite in line with our expectation that we are going to have to provide our share of the cost of construction but that it is no part of our policy to become owners of military establishments in continental Europe.

Mr. Drew: Mr. Speaker, I do not want to extend this discussion because there is, of course, a much more extensive report than has been referred to by either of us. But I would point out with reference to that particular point that the minister has made a definite statement there, if the report is correct, that Canada is going ahead to build within the next few months barracks in the Soest area of western Germany and as far as the minister's statement goes it is the expressed hope that through some arrangement still to be made Canada may be able to claim that as part of our contribution under NATO.

That is a very different thing from making a contribution under NATO and having the installation built by NATO and under NATO direction. There has as yet been neither an announcement of policy in this house nor an opportunity for the members of this house to express any opinion in regard to Canada

undertaking to construct barracks in Germany or any place else under such arrangements as these. It is not likely that Germany will be the only place that may be under consideration. Before any positive declaration is made that we are going to do certain things within a certain time limit in a certain area, I submit that the statement of policy should be enunciated here and that the members of the house should have an opportunity of passing upon it.

Mr. St. Laurent: The statement of policy will be enunciated here and will not be in the form of newspaper reports of interviews with any individual.

Mr. Drew: I am glad that the Prime Minister made the statement he has just made, because the whole point that was raised as a matter of privilege was that the members of this house do not want policy to be announced by ministers through the press; they want it to be announced here in this house.

PUBLIC WORKS ACT

TENDERS BY PUBLIC ADVERTISEMENT FOR EXECUTION OF WORK

Hon. Alphonse Fournier (Minister of Public Works) moved for leave to introduce Bill No. 26, to amend the Public Works Act.

Mr. Green: Explain.

Mr. Fournier (Hull): This proposed bill will be consequential on the passing of Bill No. 25, which received first reading yesterday, to provide for the financial administration of the government of Canada, audit of the public accounts and the financial control of crown corporations. Paragraph (c) of section 1 will be amended and subsection 2 of the old act will be deleted to conform with the provisions of the bill I have just mentioned.

Motion agreed to and bill read the first time.

RAILWAY ACT

AMENDMENT TO INCREASE SALARIES OF CHIEF COMMISSIONER AND OTHER COMMISSIONERS OF TRANSPORT BOARD, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to provide in the proposed measure to amend the Railway Act, Bill 12, now before the house, that the salaries of the chief commissioner of the transport board and of the other commissioners be increased and that the present chief commissioner be now, and that any subsequent appointee to that office become, on retirement therefrom, an additional puisne judge of the exchequer court.

[Mr. Drew.]

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

MOTOR VEHICLES

REQUEST FOR AMOUNT OF SALES IN CANADA IN 1950 AND 1951

On the orders of the day:

Mr. G. T. Fulford (Leeds): In view of the expensive and scurrilous propaganda sheets being sent out by the Vancouver Motor Vehicle Association, copies of which I hold in my hand, I should like to direct a question to the parliamentary assistant to the Minister of Finance. Can the hon. member give the figures on the sales of motor vehicles in Canada in 1950 and 1951?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): The hon. member was good enough to give me notice of the question, and more than that, when I myself received this scurrilous advertisement I realized that questions would be asked. I must confess that it is in the same class as the Labour-Progressive party publication referred to by the leader of the opposition. The figures I submit illustrate most clearly the weak premise of the advertisement. In the first nine months of 1950, the biggest year of car sales in Canada's history, 331,244 new motor vehicles were sold. In the first nine months of this year, after added taxes and credit restrictions, 320,322 new motor vehicles were sold. As far as value is concerned the total sales by motor vehicle dealers, including sales of cars, parts and services, in 1950 were $1,053 million. In 1951 the figures were $1,294 million.

Mr. Drew: It might be very helpful if the parliamentary assistant would bring down the 1951 figures up to the date when the new taxes came into effect and afterwards, because that would be more informative.

Mr. Sinclair: I will obtain that. The hon. member did not give notice of that, but I will obtain it for him. The fact of the matter is, as far as dealers are concerned, it is not the effect on their business for one month that they are interested in, but the effect on their business year in and year out. Here is the nine months' business of 1951 as contrasted with nine months' business of 1950.

Mr. Drew: I think the hon. member is well aware that the advertisement to which he

refers is dealing with the effect of the taxes and restrictions which came in well on in this year.

Mr. Fulton: When the hon. gentleman is giving the figures—I have no idea what they will show—will he also bring down figures to show the sales in British Columbia, because I understand the advertisement came from the British Columbia Motor Vehicle Association.

Mr. Sinclair: In fairness to the dealers of my own riding and other B.C. ridings, this scurrilous advertisement did not come from the British Columbia dealers but from the Vancouver motor dealers.

Mr. Fulton: Will you bring that down?

Mr. Sinclair: I will be glad to obtain those figures.

Mr. Harkness: When the parliamentary assistant is bringing down the information to which he refers, will he also bring down information as to whether the figures given in this advertisement in respect to the amount of federal tax here and in the United States, namely, $450 in Canada and $100 in the United States are correct. If not, what are the correct figures?

Mr. Sinclair: The hon. member had every opportunity to ask that question when the excise tax bill was before the house last spring. My recollection is that he did ask that question.

WHEAT

STORAGE FACILITIES AT CHURCHILL—REQUEST FOR ENLARGEMENT

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to repeat to the Minister of Transport the question that I asked the other day, which he did not answer owing to the fact, as he said, he had no representations at the time. Has the government any plans for the enlargement of the facilities for grain handling at the port of Churchill, in view of the representations now in the hands of the government from the interprovincial farmers' union council?

Hon. Lionel Chevrier (Minister of Transport): If my recollection serves me rightly, I have received a letter from some union in Saskatchewan. Before I reply to the question I should like to read the letter more carefully than I have because I received it only this morning. When I have read it perhaps I shall be in a better position to reply to the question.

Inquiries of the Ministry

TOBACCO

INQUIRY AS TO PRESENTATION OF INTERIM BUDGET

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister. I recognize that he cannot go into too much explanation, since I have not given him notice of it. In view of the rumours started by certain circulars affecting the tobacco industry of this country, is there any intention of introducing what might be called an interim or "baby" budget during this session?

Right Hon. L. S. St. Laurent (Prime Minister): No, there is no such intention.

CANADA LANDS SURVEYS ACT

REVISION AND CONSOLIDATION OF FORMER STATUTE

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the third reading of Bill No. 14, respecting the surveys of public lands of Canada.

Motion agreed to, bill read the third time and passed.

PENSION ACT

PROVISION FOR INCREASES IN RATES OF PENSION FOR DISABILITY AND FOR DEATH

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases in the rates of pension for disability and for death under the act.

Mr. Brooks: Is the minister going to make any further statement now?

Mr. Lapointe: It is not my intention to make a statement at this stage. I feel, Mr. Speaker, that any statement I would make at this stage would be nothing else but a repetition of the announcement which I made on November 16, on which occasion I gave a broad outline of the increases which were proposed in the legislation which would follow this resolution. It is my understanding that this announcement, generally speaking, did meet with the approval of all hon. members in this house, of the veterans of Canada, and of their national organizations, and I would hope we would go through the stages of this resolution without any further debate.

Mr. A. J. Brooks (Royal): I thank the minister for his statement I have just a few words to say with reference to the resolution.

I think the minister is correct in saying that there was general approval of his statement not only in the house, but throughout the country. As a matter of fact I have heard few statements in this house which received so much approval as the statement which the minister made. We all welcomed his announcement to the effect that there would be an increase in the basic rate of pension. As I pointed out after the statement was made the other day, we have waited long for this increase in the basic rate—waited nearly a year. I think the general approval indicated throughout the house and country was of the fact that, after a year of waiting, the government has realized that this has to be done, and that the matter is being attended to.

I should like to read an editorial in the Ottawa *Journal* of November 20 which, I think, expresses well the general reaction throughout the country. It says:

> Seldom has the government taken a step that met with such general approval. All the opposition parties in the Commons have been urging that disabled veterans should have higher pensions, and the veterans organizations have pointed out that the old pension rates were totally inadequate in this period of inflated prices. Nobody disputes the proposition that the state has a special responsibility to those who are maimed, or lost their health, in its defence.

I think that states fairly and correctly the general attitude regarding this increase in the basic rate of pension.

I would also congratulate at this time the different veterans organizations throughout the country. I noticed that in his remarks the other day the minister said that it was after reviewing the situation and considering recent representations of the veterans organizations that the government had come to this conclusion. I know from my own personal experience that the veterans throughout Canada have worked long and diligently to have this change brought about.

I suggest, too, as is mentioned in the editorial I read, that the different opposition parties in the house deserve congratulations on the splendid effort they have made to bring about this increase in the basic rate of pension. Anyone who will take the trouble to read again the report of the activities of the last veterans committee will see that, from the very outset, from the very first meeting, day after day and meeting after meeting, opposition members on that veterans affairs committee pleaded with government members and with the government to have this matter of basic pensions reconsidered with a view to having an increase in the amount.

As I have said on former occasions, we were greatly disappointed when the matter was not attended to at the last session of parliament. The government's action is now obvious. It has done the only thing it could do. I am sure there is no fair-minded man either in the house or outside it who could have contemplated doing less than has been done. The present suggestion by the minister that there should be an increase is certainly the correct one. And when we take into consideration the greatly increased cost of living in Canada, and the fact that this is the basis upon which the increase in pension is being granted, we realize at once that the matter should have been attended to long before this.

I should like to say a word concerning the unemployability supplement, known as item 650 in last session's estimates. In his statement the other day the minister said that the unemployability supplement had served a most useful purpose, and afforded an opportunity for getting valuable information. Yes, it has served a most useful purpose. It has served the purpose of indicating to the government that the veterans, the returned soldiers of this country, will not stand for any change in the fundamental principles of the Pension Act.

The unemployability supplement was a new departure, in that it introduced the principle of need in place of right. I hope that never again will such a principle be introduced in the pension legislation of this country. The minister is quite correct when he says that its introduction has served a useful purpose, because it has indicated to the people of Canada a most unfair way of treating veterans. He has also said that its introduction afforded very valuable information. Well, it afforded information to his department, just as it did to the house, that the veterans across Canada were one hundred per cent opposed to the principle of the introduction of the unemployability supplement, as set out in item 650.

In meetings of the committee last session it was pointed out time and again that the unemployability supplement was a most unfair and unjust principle. We considered it the most unfair and unjust principle that had ever been introduced into Canadian legislation.

One would have a short memory indeed if he did not remember the proceedings in the last special committee. I shall not review them to any extent this afternoon, except to point out again that when the motion to approve item 650 was brought before the special committee on May 31 of this year it was moved by the hon. member for Spadina (Mr. Croll)

that item 650 in the supplementary estimates carry and be reported. As an amendment I moved:

That item 650 do not now carry but that this committee request the house that it be given instructions to consider the basic rates of pensions and the War Veterans Allowance Act and make recommendations in reference thereto.

If that amendment had been accepted in the veterans committee last May there would have been ample time to have brought forward the legislation now being presented to the house, and the pensioners would not have had to wait this length of time to receive their just dues.

I might explain that when the amendment was put, twelve voted in favour of it and eighteen against. Every member of the opposition parties on the committee, together with the hon. member for Fraser Valley (Mr. Cruickshank), supported the amendment, and every government member, with one exception, voted against it. It does seem a bit inconsistent when we see those very men, who had the opportunity at that time to correct what I say was a great wrong, applauding the legislation placed before the house a few days ago. Last May they could have given the veterans what they asked for and what they were entitled to.

When the bill is before the house, and we have an opportunity to discuss it, I shall have something further to say. There is however one further point I should like to make, which flows from the fact that, as I said a moment ago, we have waited too long for this legislation. In a statement the other day the minister said that the increase in pensions would become effective on January 1. As we have pointed out, January 1 will be just about the middle of our winter. Veterans already have had to provide themselves with fuel, clothing and other necessities in preparation for winter. I hope that when this legislation is brought down the increase will be made retroactive so that these men may be better able to pay their bills and meet the rigours of the winter.

Another situation concerns the small pensioner. As has been mentioned in this house on different occasions, the small pensioner who because of ill health or other reasons is not able to supplement his income is awarded a war veterans allowance. We all know that there is a ceiling on the war veterans allowance of $610 for the single pensioner.

Mr. Speaker: Order. Does this bill refer to war veterans allowances?

Some hon. Members: No.

Mr. Brooks: No, Mr. Speaker, it refers to pensions; but my point is that the pensioner who is in receipt of a war veterans allowance will be handicapped. I do not know how we can discuss it at this time but I do submit that the increase given to a man in receipt of a war veterans allowance should not reduce the amount of that allowance because of the ceiling at present on the earnings of a recipient of war veterans allowance.

Mr. Lapointe: On a point of order, I have no objection to the hon. member expressing his views, but I submit he should keep within the rules of the house. Any reference to war veterans allowances on a resolution having to do with the Pension Act is completely out of order. The matter the hon. member is trying to discuss comes under the War Veterans Allowance Act and has nothing to do with this legislation.

Mr. Green: On the point of order which has been raised by the minister, I would point out that we are discussing a resolution in these terms:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases in the rates of pension for disability and for death under the act.

Surely we are in order in suggesting that the bill should contain a provision that any increase in pension shall not have the result of cutting down the war veterans allowance. I submit that we are perfectly in order in asking that there should be a section in the bill to that effect. If we are to be prevented from making any suggestions of that kind we will not be able to deal fully with the pension question. As a matter of fact, it is almost impossible to bring in an amendment to a resolution, as Your Honour has ruled earlier in the session, but I submit that we certainly are in order when we suggest that there should be a section in this amendment to the Pension Act providing that any increase in a veteran's pension shall not have the result of reducing his war veterans allowance.

Mr. Knowles: May I say a word on the point of order. I feel that the position taken by the hon. member for Vancouver-Quadra (Mr. Green) is the correct position. I realize that it is a difficult point on which Your Honour will have to rule because on the face of it the point raised by the Minister of Veterans Affairs (Mr. Lapointe) looks like one that will have to be considered. The minister suggests that when debating the Pension Act we should not discuss the War Veterans Allowance Act. Even though I might want to do so, I agree that that would be out of order at this time.

However, we now have before the house legislation that proposes to increase the amount of the disability pension that certain

veterans will receive and I submit that we have the right to discuss other things that will determine whether or not he will get that increase. As I understand it, the point which the hon. member for Royal (Mr. Brooks) is seeking to make is that some veterans will not get any benefit from the increase in the disability pension because of the ceiling under the War Veterans Allowance Act.

Mr. Lapointe: That is in the War Veterans Allowance Act, not this act.

Mr. Knowles: That ceiling provision is in that act, but its effect will be felt by veterans drawing disability pensions as provided by this act. I submit that Your Honour would be in order in telling us that we cannot now discuss the War Veterans Allowance Act generally; I submit also that Your Honour would be in order in telling us that we cannot during this debate propose any increase in the war veterans allowance; we shall have to do that on another occasion. But I submit that you should permit us to discuss the effect of the ceiling imposed by the other act on veterans who are supposedly going to get an increase under the measure now before us.

Mr. Speaker: I may be able to settle this matter. I do not think there is a great deal of difference among hon. members at this time. We all agree that the legislation before us has to do with pensions, that it has nothing whatever to do directly with the War Veterans Allowance Act. May I point out also to hon. members that there is an amendment to the address in reply to the speech from the throne dealing directly with the War Veterans Allowance Act.

I did not take from what the hon. member for Royal (Mr. Brooks) said that he was going to discuss the War Veterans Allowance Act at this time. The point has been raised that if a pensioner receives an increase in his pension there will be a reduction in the amount he receives under the War Veterans Allowance Act. The suggestion is that the amount received under the War Veterans Allowance Act should not be reduced. Is that not a matter which should come up when the War Veterans Allowance Act is being amended?

Mr. Green: It could be put in the Pension Act.

Mr. Speaker: I doubt if it could be put in the Pension Act; it seems to me that that is an amendment which would have to be made to the War Veterans Allowance Act. I think that all members will agree that a passing reference to the War Veterans Allowance Act should be permitted as long as there is no debate or discussion on that particular legislation. I do not think that a definite ruling is necessary at the present moment, but I would ask hon. members not to debate the War Veterans Allowance Act at this time and to make any reference to that act as brief as possible.

Mr. Brooks: I thoroughly understand your ruling and suggestion, Mr. Speaker. I might say that in the discussion we have had on the point of order the point I was trying to make has been brought out and I do not see any necessity of saying anything more. The men who need an increase in pension most are those in receipt of war veterans allowances, and they are the men who will not get consideration. I had hoped that there would be an amendment to the act which would cover those particular cases. However, we can deal with that when the bill is before the committee.

There is another point I wish to make in connection with dependent parents. The hon. member for Eglinton (Mr. Fleming) asked a question about this the other day and the minister stated that a dependent parent did not receive a pension under the act as of right but under an award by the commission after a means test. That is correct. There is a ceiling on the pension granted dependent parents and I think that might very well be dealt with in the bill to be presented. As a matter of fact the minister suggested that we should wait until we had the bill when we would know what was the attitude of the government I took it from that that there probably would be an amendment in the bill covering dependent parents. I do not think there is anything further I wish to say at this time. I repeat that opposition members are very pleased indeed that this legislation is being brought down, as are the people of the country. However, I should like to say to the minister and to the government that I think it would have come with much better grace if it had been granted a year ago. Whether or not they believe it, there is a feeling throughout this country—and I think it is just—that the government has been dragooned into this action particularly by Legion organizations throughout the country, by public opinion and also by opposition members of the House of Commons.

Mr. G. A. Cruickshank (Fraser Valley): I should like to say a word or two with respect to this legislation. I have the greatest admiration for the hon. member for Royal (Mr. Brooks) who served not only in the first war but in the second war with the greatest of distinction. I know that at heart he wants to do the best he can on behalf of the

veterans, but I regret that possibly partisan politics are being brought into the matter. So far as the veterans of my province are concerned, we want to see justice done to them without worrying about who gets the credit, which party, which individual or which province. I am sorry that partisan politics have been introduced into the discussion by a member for whom I have the greatest respect, knowing how he has served his country in two great wars.

Mr. Brooks: I was merely stating the facts; that is all.

Mr. Macdonnell (Greenwood): Sometimes they do not like them.

Mr. Cruickshank: I think my record in the veterans affairs committee will show where I stand so far as my fellow veterans are concerned. I have not always agreed with members of my own party or with those in the opposition, but in so far as my stand is concerned I am perfectly willing to rely on my record. I think we should forget political advantage. Some people should be satisfied. I have forgotten the exact phrase but I think it is "sufficient unto the day". "Sufficient unto yesterday" should satisfy them enough for one day.

Mr. Macdonnell (Greenwood): That is just a beginning.

Mr. Cruickshank: Let us not worry about politics with respect to this matter.

Mr. Murray (Cariboo): May I correct the quotation? "Sufficient unto the day is the evil thereof".

Mr. Cruickshank: I was not referring to the hon. member for Cariboo (Mr. Murray).

Mr. Macdonnell (Greenwood): He is improving it.

Mr. Cruickshank: We have accomplished a great deal through the efforts of the veterans affairs committee on which I had the privilege of serving. As I have stated before that committee and in the house, I believe that is mainly due to the great efforts and influence of the Canadian Legion throughout the Dominion of Canada. Let us try to build it up and not tear it down. I agree with one thing the hon. member for Royal said. I am not allowed to refer to a certain type of pension, and I do not want to be called to order. I have been here since 1940, I have never yet been out of order, and I do not want to be now. You can imagine what I might like to say about certain other legislation. I should like to say to the minister that it is not clear in my mind—and I think I am in order—what the situation is with respect to dependent parents, and I would also link with that compassionate awards to mothers and wives. I think these two classes should be taken into consideration, because of the increase in the cost of living, in exactly the same way as other pensioners.

I believe the pension should be made retroactive. Whatever the advantage may be, it definitely should be made retroactive. As the hon. member from Labrador—for Royal, an outpost of Canada where there is cold weather, and I admit it is far colder there than in other parts—said, this is the time of year when those on small pensions need assistance if they need it at all. As I understood the announcement of the minister—and I want to be corrected if I am wrong—I believe the awards are to be made retroactive, and I should like to know to what date. That may have been stated before and if it was I am sorry I did not hear it.

One thing with which I cannot agree is the unemployability supplement. However, as I understood the minister—and surely this is in order because it was announced by the minister himself—it is to be discontinued as from the first of the year. I believe that is correct. As I stated before the veterans affairs committee, it has not worked out satisfactorily in my own province. The officials in charge there have been most fair about the matter. If I remember correctly, we estimated we would have 780 recipients, and the last I heard we had approximately 1,400 applicants. It did not work out in the rural districts although it may in urban centres. I understand it is to be discontinued as from the first of January. There is one thing I want to know for purposes of information only. Is it correct that those who have been in receipt of it temporarily will continue to receive it up to the first of January? Accepting the correction of the hon. member for Cariboo, let us not drag politics into the matter. We have had an assurance from the minister on behalf of the government and I thought his statement was very fair. The Legion asked for 33⅓ per cent but they are getting more than that. I am not allowed to mention that other matter but I will take it up at the next session of parliament inasmuch as I have been assured—and the minister nods his head in agreement—that legislation will be introduced to correct the abuse so far as that other group of pensioners is concerned. The minister agrees that legislation will be brought down to provide for them properly and it will be made retroactive to the first of January.

Mr. Fulton: Is this an announcement of government policy?

Mr. Cruickshank: After what happened yesterday anybody can announce anything, but I believe that is what is going to happen.

Mr. Green: Don't lose heart.

Mr. Macdonnell (Greenwood): Don't take it to heart so much.

Mr. Cruickshank: I will announce the policy with respect to what is going to take place in Toronto tomorrow. The west will show the east where the sun rises and sets. I am very proud of my association with the veterans affairs committee. As I said, I have the greatest admiration for the hon. member for Royal—

Mr. Brooks: Mutual.

Mr. Cruickshank: —but on reflection I think he will agree there is one thing we should not do. If there is one committee that certainly should not be brought into the field of partisan politics it is the veterans affairs committee.

Mr. H. W. Herridge (Kootenay West): I should like to say a few words on this measure. The resolution reads:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases in the rates of pension for disability and for death under the act.

I am sure, Mr. Speaker, that all hon. members of this house were delighted with the minister's statement to the house on Friday, November 16. They were happy to know that at last the government recognized the need of the disability pensioners in this country. I am sure that all hon. members, regardless of the party to which they belong, were relieved to know that the government had finally decided to abandon the supplementary allowance with its employment test, medical test, and in some cases financial means test. I remember when we were sitting in the veterans affairs committee last session there was strenuous opposition on the part of a number of members of that committee to this departure from former Canadian pension principles. I am sure all hon. members are glad to know that the government has returned to the long established principle of the payment of pensions according to disability incurred. By introducing this measure, the government has decided to erase that unfortunate blot on Canadian pension history.

I am sure that all veterans organizations in this country, as represented principally by the Canadian Legion and the National Council of Veterans, must find great satisfaction in knowing that their efforts have borne fruit in this satisfactory government action. In fairness to these representative bodies, we must say that the government's decision is a tribute to the Canadian Legion and to the National Council of Veterans. It is a tribute to their understanding of the needs of disability pensioners throughout Canada, and to their presentation of the facts. It is a tribute to their arguments supporting the facts, and to their eternal vigilance on behalf of disabled veterans and their dependents in this country throughout the years.

Mr. Cruickshank: Hear, hear.

Mr. Herridge: I am pleased to know I have the endorsement of the hon. member for Fraser Valley (Mr. Cruickshank). I know that we on this side always realize that we have the sympathy and support of the hon. member in these veterans matters.

In my opinion the commendable position the Legion has taken is well stated in a recent editorial which I read in a good weekly paper published in British Columbia, the Revelstoke *Review*. I am going to read a paragraph—

Mr. Cruickshank: In what riding is that?

Mr. Herridge: Revelstoke is situated in the Kamloops riding. I know the editor quite well, and I believe he is a firm supporter of liberal principles. He is a man of considerable balance and good judgment. Unfortunately at the present time he is a member of the coalition—

Mr. Fulton: Are you speaking of the editor of the Revelstoke *Review*?

Mr. Herridge: Yes.

Mr. Fulton: Don't calumniate the man, because he does not support that party.

Mr. Herridge: If I am in error in that, it is because my judgment has been based on the reasonable and progressive nature of his editorials. I am quoting from the Revelstoke *Review* of Thursday, November 15, 1951. The editorial is entitled "Practical Remembrance". It reads:

Rev. H. S. McDonald, in his remembrance day address in the United Church last Sunday, told his comrades they need to remember the dead; living veterans in need of assistance; and thirdly, their heritage as Canadians. Remembrance day ceremonies in themselves call attention to the many who made the supreme sacrifice, while appreciation of our heritage ought to be inspired by individual common sense. Remembering the needy veterans, on the other hand, calls for positive action and eternal vigilance. . .

In all these matters which are so essential to the welfare of the war veteran, the Canadian Legion has played an outstanding role down through the years. There has been progressive improvement in the treatment of veterans since 1918, although the ultimate has not yet been reached. Had there been no strong body to champion the cause of the needy veteran, it is doubtful if even the most benevolent intentions of our governments would have reached the stage of today's programs.

The Legion makes no unreasonable demands. It is continually on the alert to the legitimate needs of its membership. It remembers the dead by calling attention each November 11th to their sacrifices. It promotes an appreciation of the ideals and traditions inherent in our way of life and for which the dead laid down their lives. It strives daily to ensure better treatment and sympathetic understanding for veterans and dependents in need. In the Legion's activities the general public has a constant reminder of the just debt this country owes those of its ex-servicemen who are unable to fend for themselves. And that understanding on the part of all Canadians is essential to ensure that no ex-serviceman will in the future shuffle off the end of a pier in despair, while his fellow-citizens pay grateful homage on November 11th.

I am sure, Mr. Speaker, that all of us agree with the sentiments expressed in that editorial. In my opinion the writer has stated well the attitude of a great majority of Canadians towards the needs of the veterans of this country, and the necessity for sympathetic consideration from the government. While these organizations now find great satisfaction in the minister's announcement of the government's intention, I am sure there has been great rejoicing amongst the ladies' auxiliaries because they have taken a direct interest in the Legion's proposals concerning an increase in the basic rate of disability pensions and an increase in war veterans allowance. These thousands of splendid unsung women have worked loyally to support their men's proposals. I am sure that they will find great comfort in the knowledge that this legislation is coming before the house.

It interested me to know that the ladies' auxiliaries are particularly appreciative of the work of the opposition in this parliament in supporting the Legion's proposals and those of the National Council of Veterans. I have had indications of that on a good many occasions. It may interest you to know, Mr. Speaker, that the members of one branch of the ladies' auxiliary in my constituency were so pleased with the efforts of the opposition in this matter that all of them wrote me a personal letter addressed to the Right Hon. Herbert Wilfred Herridge. Possibly that is a trifle premature, but at least it was a kind gesture on their part. I recall receiving a letter from the wife of a pensioner who had apparently just completed listening to one of my broadcasts in the parliament hill series. They are of course always completely objective. She wrote me to this effect: Dear Mr. Herridge: I have just finished listening to your broadcast from parliament hill, and I hasten to put pen to paper. I want to tell you, sir, that whenever I hear your voice on the air I turn down the lights, sit in my easy chair and dream of an increase in the basic rate of disability pensions. Then, she spoke of the day when the opposition would finally persuade the government to increase the basic rate of the disability pension, and she said: I am sure, sir, after listening to you, that the government will without doubt respond to your pleading.

I am exceedingly glad, Mr. Speaker, that the government has responded to the pleading of the veterans organizations and of Canadians who are interested in this question. This increase in the basic rate of pensions will give great relief to thousands of veterans who have been suffering severely from the increased cost of living. It will be a great thing for many on low pensions, with small incomes, who have been trying to earn a bit on the side in order to keep going, through doing odd jobs and various kinds of work. At this point I think I may be permitted to say that, in order to protect the small pensioner, so that the legislation will mean something to the small pensioner who at the present time is receiving a small pension and a portion of the war veterans allowance, the government should agree to having included in the bill when it comes before the house something to this effect: that no increase in disability pension be considered an increase of income for the purposes of the War Veterans Allowance Act. We in this group suggest that the government give serious consideration to that proposal.

As I have said before, when I am speaking in this house I see not only the resolution, the handsome Minister of Veterans Affairs (Mr. Lapointe) and his intelligent and industrious parliamentary assistant, but I also see the people in the constituency this legislation benefits. I visualize a good number of people whom I know personally who will be affected by this legislation, including many older veterans, and widows. In addition to that, I have already had a good many personal letters which indicate what this resolution means to a large number of people whom I have the honour to represent. We in this group follow our usual policy of commending the government when it deserves commendation; we do not hesitate to do that, regardless at times of our sharp but constructive criticism of government policies. Having said that, however, I must say that while we in this group were pleased with the announcement which has been made, we do not think the government has given complete consideration to all those included under the terms of the Canadian Pension Act. I refer principally to three groups: first, the children of pensioners; second, the dependent parents; and third, the pensioners receiving a compassionate pension.

According to the minister's announcement, as to the children of pensioners the increase is to be from $19 to $20 for the first child, and for the other child there is no extra provision. That means only an increase of $1 for the first child of the Canadian pensioner. We think that the government should have had the 33⅓ per cent increase include all the children of pensioners. These are the children of veterans raising families. I know that Canadians generally want to do everything possible to see that the families of veterans have as good an opportunity as this government and the people of Canada can provide. Therefore we in this group feel that the government should have carried the increase of 33⅓ per cent along so as to increase the amount of pension awarded for the children on that basis. We urge the minister and the government to give further consideration to this matter before the legislation comes before the house.

I now come to the question of dependent parents. The hon. member for Royal (Mr. Brooks) and the hon. member for Fraser Valley had something to say on this matter. We believe that this particular group is entitled to special consideration. I have seen some pathetic cases in this group. It includes many a mother who has lost an only son and many a father who has lost an only son. These people have sacrificed not only the earning power of the son or the possibility of support by the son but have sacrificed a great deal of happiness for the sake of this country. Many of these people are living under difficult financial circumstances but, worse than that, they are living without the comfort which would have been brought to them by the children who they naturally expected would be a solace to them in their old age. We believe that some provision should be made for the dependent parents. We should like to hear the minister rise in his place in the house, when the bill comes before us, and say something to this effect: we intend to amend the bill so as to make some extra provision for this worthy group of Canadians who have sacrificed more than dollars can repay.

I now want to refer to those who are in receipt of compassionate pensions. We all know that a compassionate pension is paid not as of right but rather on purely compassionate grounds. The very fact that it is paid on compassionate grounds indicates there was need that demanded compassion. According to the statement of the minister there is not any stated increase for those persons receiving compassionate pensions. We hope that the minister and the government will give consideration to this needy group.

Mr. Mutch: Will the hon. member permit a question?

Mr. Herridge: Yes.

Mr. Mutch: When the hon. member speaks of compassionate pensions, is he referring to pensions awarded under section 21 for meritorious service?

Mr. Herridge: Yes. This is a particular group that, as I said before, have received these pensions on the basis of compassion, and for them we urge further compassion. When the government is doing an excellent piece of work in introducing this 33⅓ per cent increase generally, with the exception of those classes which I have mentioned, we in this group urge that they complete this legislation and make a good job of it by providing 33⅓ per cent increase for the children of pensioners, by making some extra provision for dependent parents, and by making extra provision for those receiving compassionate pensions.

Previous speakers have suggested making this legislation retroactive. In fairness I think we must admit that there are certain administrative difficulties in connection with giving immediate effect to legislation of this type. As I understood the minister's statement, the first cheques at the new rate would be in the pensioners' hands in early February, 1952.

Mr. Lapointe: During the course of January; the January cheque.

Mr. Herridge: It will be paid in January. In British Columbia they usually arrive in February. I suggest that the minister and the government give consideration to making the pension payable so that the pensioner receives his first cheque in the first week of the new year. I think that would be a nice send-off for the new year, and will provide some time for the giving by the commission of effect to legislation passed by this house.

Before concluding my remarks, I must once again emphasize the fact that we in this group believe that the Canadian pension commission is doing an excellent job in administrating the Canadian Pension Act. We all think they have done splendid work throughout the years. We hope that the government and the minister will make their task easier and will make this legislation completely satisfactory by including the groups to which I have made reference. I trust that, before this legislation is finally adopted by this house, the government will add these

little extras so that the legislation will then be satisfactory to all veterans on disability pensions and their dependents and to all who have worked for and recognize their need.

Mr. Victor Quelch (Acadia): I am going to be very brief in my comments. The Minister of Veterans Affairs (Mr. Lapointe) and his parliamentary assistant (Mr. Mutch) are in the very happy position of knowing that whenever they bring down any legislation in this house that will improve the position of the veterans they will receive the wholehearted support of the opposition. We in this group are very glad that at this time the government have seen fit to bring down legislation to increase the basic rate of pension without attaching to it any form of means test. Apparently the government now recognize that they made a mistake last session when they tied an increase in the rate of pension to an unemployability test. That was a form of means test, and a very undesirable form. I feel that by bringing down this legislation the government has fully vindicated the stand taken by the opposition members of the veterans committee last session when they opposed the payment of an unemployability supplement as an alternative to an increase in the basic rate of pension.

However, whilst we are strongly in support of this proposed legislation, I would like to point out that there are certain weaknesses in it. There are certain classes of pensioners who will receive no benefits under this legislation. For instance the married pensioner, receiving a pension award of from 20 to 40 per cent, will receive no benefit if he is already receiving a war veterans allowance. In regard to the single veteran, he will receive no benefit if he is receiving an award of from 15 to 30 per cent, if he is receiving the allowance. I have in my hand—

Mr. Mutch: Will the hon. member permit an interruption?

Mr. Quelch: Yes.

Mr. Mutch: I get a little weary of hearing it suggested that when a piece of legislation grants a man entitlement he does not get it under that particular legislation because under other existing legislation it may be taken away again. That is tantamount to saying that some of us do not get any salary because income tax takes it away. So far as this legislation is concerned, what my hon. friend has just said is untrue. The benefits do accrue. What happens to the money afterwards is subject to other legislation, and further discussion, and in complete honesty I think we should stop saying that.

Mr. Quelch: The point is I think the hon. member is the last one who should use those words "complete honesty". The test of any legislation is, will the person benefit as a result of that legislation?

Mr. Mutch: And the answer is yes.

Mr. Quelch: That is the only criterion. Can you show an income tax assessment which, as a result of its application, will mean that the taxpayer does not get any benefit from an increase in income? He will always get a slight benefit from an increase in income. As a result of this some pensioners will not receive one cent in additional income. Let me quote from the unemployability supplement chart given to the veteran members the last time the committee sat. We find that a pensioner receiving a 40 per cent award, and who is married, receives a pension of $50 a month. In addition he receives a war veterans allowance of $41.66 a month, making a total monthly income of $91.66, or a yearly income of $1,100. That man will not receive any benefit whatsoever under this legislation, because to the extent that his pension is increased the amount of the war veterans allowance will be decreased.

Mr. Cruickshank: On a point of order, Mr. Speaker; I do not think anyone—I know the hon. member will not—will question that I am as sympathetic as he is to those recipients of the war veterans allowance, and I have demonstrated it in the past. But I submit it is not fair for one member to discuss that legislation and some of the rest of us who would like to discuss it be ruled out of order.

Mr. Quelch: I am not going to discuss war veterans allowance in any way, shape or form. When Mr. Speaker was in the chair he gave us the understanding that so long as we referred only to the effect that one may have on the other he would not rule it out of order. I am not going to discuss the merits or the demerits of the War Veterans Allowance Act. I will even leave out the words "war veterans allowance" in the future.

Mr. Cruickshank: On a point of order, I want to keep the record clear. The hon. member for Acadia is always fair.

Mr. Macdonnell (Greenwood): Where is Mr. Speaker, anyway?

Mr. Cruickshank: I beg your pardon. The hon. member who has just spoken has said that he is always humble, and as I said on previous occasions he should be. I was ruled out of order in that connection, and so were several other speakers. I would like to speak on it.

Mr. Quelch: No.

Mr. Cruickshank: I am speaking on the point of order. I was ruled out of order, and I believe the hon. member for Royal (Mr. Brooks) was also ruled out of order in the same connection. I would like to speak on the same matter, but it must work both ways. I am not speaking against the hon. member's argument, but I do claim the right to say something along the same line as any other member in the opposition or otherwise.

Mr. Quelch: I would again point out that this is exactly the type of reference that the Speaker ruled would be in order.

The Acting Speaker (Mr. Beaudoin): I was in the house when the Speaker made his remarks. He did say that the War Veterans Allowance Act was not now before the house, and that any reference in passing to the War Veterans Allowance Act should be as brief as possible.

Mr. Quelch: I would point out, Mr. Speaker, that the pensioners receiving an award of from 20 to 40 per cent will not receive any benefits as a result of this legislation. When you get down below the pension award of 20 per cent, that is at the 15 per cent level, there will be a partial benefit of $25 per annum. When you get below 15 per cent, from 5 per cent to 10 per cent, the pensioner will then be eligible to receive the full benefits of the pension award; but from 20 per cent to 40 per cent the pensioner will not receive any benefit at all.

In regard to the single veteran, a pensioner receiving an award of from 15 to 30 per cent will not be able to get any benefit whatsoever. Below 15 per cent—

Mr. Lapointe: No benefit under what?

Mr. Quelch: Below the 15 per cent they will get the full benefit of the award. In view of the fact that these are men who have very limited incomes, it does seem to me that we should have a section included in the legislation stating that any increase of any pension under this legislation shall not be considered income for the purpose of the War Veterans Allowance Act. That is all I am going to say—

Mr. Mutch: Order. We are back where we started.

Mr. Knowles: It is perfectly in order. The only trouble is the government has not put it in the bill.

Mr. Quelch: There is one other matter that I should like to refer to, namely dependent mothers. I was sorry to hear the minister say that dependent mothers would not be eligible for any increase, because it does seem to me that where the mother is solely dependent upon her son, when that son is taken away she should receive the same consideration as the wife receives; I mean where the son is her sole support.

In closing I would say, as I have said in the past, that I believe that in this country generally speaking we have veterans legislation second to none. I think we are also fortunate in having officials who are very sympathetic towards the veterans, and who do not hesitate to bend over backwards in trying to give the full benefit of the doubt in dealing with all matters. I would like to see us at all times endeavour to amend legislation so these officials can give to veterans the greatest possible benefits without having to take a chance on having to bend backward.

Mr. J. M. Macdonnell (Greenwood): I just want to add a word. I think, as the previous speaker said, there is the unanimous feeling on this side of the house that in these days when our social conscience is rightly as aroused as it is, and when we are doing so much for other people in the community, these men who have a special claim must not in any degree be left behind. Therefore we welcome what is being done. I should like to endorse what has been said concerning the sympathy of the men in the department. All members of parliament have a good many cases coming to their attention. I have always found the greatest readiness to help on the part of veterans advocates and all others doing similar work.

I think we are most fortunate also in the officers of the Legion because, along with their desire to have everything done for the returned men, they do realize that there are limits, and I believe they try to take a common-sense view and have regard for what is possible as well as what is desirable.

Motion agreed to, and the house went into committee, Mr. Beaudoin in the chair.

Resolution reported, read the second time and concurred in.

Mr. Lapointe thereupon moved for leave to introduce Bill No. 27, to amend the Pension Act.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Beaudoin): When shall the bill be read the second time?

Mr. Fournier (Hull): Next sitting.

NORTH ATLANTIC TREATY ORGANIZATION

MEASURE TO APPROVE AGREEMENT ON STATUS OF ORGANIZATION, NATIONAL REPRESENTATIVES AND INTERNATIONAL STAFF

Hon. Alphonse Fournier (for the Secretary of State for External Affairs) moved the second reading of Bill No. 15, to provide for privileges and immunities in respect of the North Atlantic Treaty Organization.

Mr. Macdonnell (Greenwood): Would the parliamentary assistant make a statement?

Mr. Jean Lesage (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, on November 8, while at the resolution stage, I made a complete statement. I do not believe I could add anything at this time. It is my understanding that the bill will be referred to the committee on external affairs, so there may be detailed study of all sections.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to make only one or two comments. Unfortunately I was not here on November 8 and did not hear the statement made at that time. I have looked at the debate which took place on a somewhat similar motion in 1947. Incidentally, due to the industry of the hon. member for Lake Centre (Mr. Diefenbaker), there appears on record a point of historical interest which I should like to place on record. He pointed out that—

> —the first general law on immunity, as far as Great Britain is concerned, goes back to the reign of Queen Anne. The Russian Ambassador in England having been arrested, strong objection was taken by the Russian government, which resulted in the passing of the diplomatic privileges act of 1708, providing for diplomatic immunities, which has been continued since this time.

I do not imagine there is any question to be raised by any of us in this connection, other than the question as to whether, as time goes on, the number of people covered by these immunities grows and grows. There are one or two points I should like to raise for the attention of the parliamentary assistant. We have a bill containing only two sections and an agreement of some length signed on behalf of Canada, which we are asked to approve. We know of course that in a sense, due to the non-coöperation of Russia, part of the agreement made in 1947 has become nugatory, so far as certain aspects were concerned. Part II of the agreement says, among other things:

> The organization may hold currency of any kind and operate accounts in any currency.

Then if we read further we find that not only representatives, that is to say senior representatives, but "any representative of a member state"—and I take it that "any" means "any"—shall enjoy the following privileges and immunities, as set out in the following paragraph (f):

> (f) the same facilities in respect of currency or exchange restrictions as are accorded to diplomatic personnel of comparable rank.

I mention this only because I think we have known of cases where military and other personnel, who were on their lawful missions in other countries, have indulged in currency operations which were not exactly what was intended by the scope of the agreements.

Without taking more time, because I understand this will be further considered, I would suggest that the agreement be looked at closely; because I suppose as time goes on we may have scores—and, for all I know, even more than that—of people in this country enjoying extraordinary immunities. I suppose it is extremely difficult for any country to be sure of all the attitudes, views and practices of all the people who are going to work for it. One of the points that strikes me is that it is contemplated that the home country, so to speak, may provide a certain number of staff for the organization of a visiting country. In their cases, of course, immunities are less.

I am suggesting only this, that the whole atmosphere of bringing here a considerable number of people—if there are to be a considerable number—is such that very close scrutiny and a very considerable amount of vigilance ought to be exercised.

Motion agreed to, bill read the second time and referred to the standing committee on external affairs.

PUBLIC PRINTING AND STATIONERY ACT

AMENDMENT PROVIDING FOR ADVANCES TO KING'S PRINTER FOR PURCHASE OF MATERIALS, ETC.

Hon. F. G. Bradley (Secretary of State) moved the second reading of Bill No. 24, to amend the Public Printing and Stationery Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

On section 1—*Requisitions.*

Mr. Macdonnell (Greenwood): Mr. Chairman, I have to confess some ignorance of what has taken place, due to my absence from the house for some days. However, when the matter was last before us, and I was present, I understood we were to receive a

statement from the minister. Has that statement been received and discussed? The statement from the minister was to explain why this large amount is in the bill. I am informed the statement has not yet been made, although when the bill was first considered the leader of the opposition as well as representatives of other opposition groups asked for it.

Mr. Bradley: The additional credit being requested under this bill is not in the nature of a grant. It is merely a credit which is authorized by the finance department out of the consolidated revenue fund. As hon. members will realize, the operation of the department is in the nature of a commercial enterprise within the limits of governmental and parliamentary activities. Practically all our work is done either for parliament or some department of government. As I have already said, this credit is not a grant. It has been increased down through the years in accordance with the increases in the prices of materials and labour and the expanding activities following the continuous growth of the nation. Some years ago $700,000 was the limit of the credit; later on it was increased I think to $1,300,000, and later on to $2 million. The increase to $2 million took place in 1946. Since that time Canada has continued to grow more rapidly than ever and as a result the activities of the king's printer have been increasing continually while prices have been advancing enormously, not only for supplies and materials but also for labour.

We find that today the credit of $2 million is short of our requirements by another $2 million. For example, as of yesterday, November 22, we owed our suppliers for materials, paper, et cetera, $2,265,643. To meet our payrolls for salaries, wages and the like we require $160,000. Therefore we are in debt a total of $2,425,643. Our overdraft as at that date in the receiver general's account was $5,590,137. We were owed by various government departments, which we are entitled to deduct, the sum of $3,786,943. If we had been paid those amounts by the various departments—we were not—we would have had an overdraft of only $1,803,194. We are authorized by the act to have an overdraft of $2 million. Therefore, as of yesterday, we had cash available of $196,806 to meet liabilities, which I have set out above, amounting to $2,425,643. Therefore, as of yesterday, we were short $2,229,837. That amount is owing to outside firms for supplies and materials of various kinds, which we cannot pay. For that reason we require a further credit. As I have said before, this is only a credit, not a grant or anything of that kind, or roughly $2 million in order to keep our accounts down to a satisfactory maximum.

Mr. Macdonnell (Greenwood): We recognize that it is not a grant, that it is something in the order of working capital and for that reason it may be necessary. I should like to ask one or two questions. The minister has told us that the accounts payable are something over $2,229,000. I should like to know how long those accounts have been owing. On the other hand he tells us that there is $3,786,000 owing to his department, and I should like to know why that cannot be paid.

I should like to know also whether any real inconvenience is being suffered in carrying on the business as is. If the minister can demonstrate that any loss is being suffered I think we ought to be quick to come to his assistance. On the other hand I think the feeling of this house, which is a salutary feeling in my opinion, is that we should not accept suggestions of this kind too readily. We had a similar suggestion from the board of transport commissioners a year or two ago. They came along and asked for an amount which I recall was cut down considerably with their eventual consent. It is not necessary to go into the details, and indeed I do not remember them all, but they made a case which we went into with them along with the treasury board, and we decided that it was extremely difficult for them to get along with the amount which they had as working capital.

I repeat my questions. I should like to know whether any real inconvenience is being suffered and the reason this large amount of $3,786,000 should be outstanding for any considerable time. From time to time we get little glimpses of what is going on, and we understand there are hundreds of millions of dollars floating around in the air as surplus to what is needed, and just at the moment it does not seem clear why these several departments cannot pay their debts.

Mr. Bradley: It is not always easy to get accounts paid by departments as promptly as one would wish. There is frequently a hiatus between the date of the delivery of the goods and the date of payment. It must also be borne in mind that we carry a considerable quantity of what we call work in progress for which no bill has been rendered. We are continuously in debt to the tune of something in the neighbourhood of $2 million. That does not cause any inconvenience to the government, but it does cause inconvenience to the commercial firms supplying us with materials. We feel that we ought to be in position to

keep these accounts down to a reasonable amount. The $2,229,000 is much too large.

It must also be borne in mind that this money is not going out of the control of the government. The money is in the various departments which have received grants of the sums they require to pay us for supplies. They simply pass it to us and we pass it into consolidated revenue. That movement is not fast enough to permit us to pay the outside bills we owe, which I think we should pay at the earliest possible date.

Mr. Macdonnell (Greenwood): So do I, but I still want to know why this $3,786,000 cannot be paid. Can the minister give us a list of the departments that owe money so that we may see why these accounts cannot be settled. Is there any earthly reason why these bills cannot be paid? I presume these government departments are solvent and able to pay their debts, and this amount of $3,786,000 should be paid. If this were private business they would certainly stir things up and get paid because they would not be able to go and ask somebody else for $2 million.

Mr. Bradley: I am not in position to answer my hon. friend's question because I am not familiar with the affairs of other government departments. The only thing I can say is that we have not received the money from them and are continuously in debt to outside suppliers because of that fact. As I have pointed out, this is nothing new. It is not a question of cash getting out of control of the government in any way, shape or form. It is merely a matter of internal arrangement. It seems to have worked out satisfactorily. I cannot give you the details at all because I do not know them.

Mr. Macdonnell (Greenwood): Well, we want them.

Mr. Bradley: I am not able to give them to you.

Mr. Macdonnell (Greenwood): I agree with the minister it is nothing new, but it is something new that we want. Unless there is some reason against it we want a sensible arrangement whereby this money will be collected. The minister says he does not know why. He has not the details. He cannot give us particulars. I think we should get particulars. For instance, if the Minister of Public Works owes him a lot of money let him pay it. I should like to know who these ministers are who will not pay their debts. Is that not a reasonable suggestion, Mr. Chairman?

The Deputy Chairman: Shall the clause carry?

Mr. Macdonnell (Greenwood): No, it is not carried. I am waiting for information, Mr. Chairman. It is not carried; as long as I can stand up it is not carried.

An hon. Member: That will not be long.

Mr. Knowles: For example, can the Secretary of State tell us whether his own department owes any money to the printing bureau?

Mr. Bradley: At the moment I cannot tell you.

Mr. Lennard: Surely he should know that.

Mr. Knowles: Can the Minister of Public Works tell us whether his department owes the king's printer any money?

Mr. Fournier (Hull): Perhaps we do not owe money right now. We are having reports printed, but when the bills come in we generally pay.

Mr. Macdonnell (Greenwood): How about the other ministers? What about resources and development, and labour? Could we have a statement from them? We might get the other ministers in here and find out why this money cannot be paid. I am quite serious about this. I am sure the Minister of Public Works, who is very co-operative will really agree with me in this matter.

Mr. Fournier (Hull): I cannot answer for the different departments, but if the bills were not paid on time there would be some reason for it. From the public accounts it appears that we do pay all the debts we owe. If you will look at the public accounts which were tabled some time ago I think you will get all the details and information.

Mr. Macdonnell (Greenwood): Oh, no.

Mr. Fournier (Hull): Oh, yes.

Mr. Macdonnell (Greenwood): Let me ask the Minister of Public Works this question. If he finds he owes money to the king's printer will his department be able to pay it right away?

Mr. Fournier (Hull): Oh yes, certainly. The moment the comptroller of the treasury authorized payment of a bill a cheque would be issued.

Mr. Macdonnell (Greenwood): Would the minister communicate that to the Secretary of State and suggest that is the way to get the money?

Mr. Fournier (Hull): The Secretary of State knows how they get the money because the business of that department has grown to such an extent that the revolving fund does not seem sufficient. In his statement he

mentioned that they owed over $2,200,000. That means we have to come back to parliament and ask that the revolving fund be increased. As the hon. member knows, this is working capital. I do not know if all these details of every bill outstanding should be laid before the house, because they probably appear in the public accounts. I am not too sure, but I would believe that in the public accounts these bills appear as paid or unpaid.

Mr. Macdonnell (Greenwood): As the minister knows, I am always a man who wants to facilitate business as much as I can, but it seems to me at the moment we are in this position. We have asked questions which I hope are more or less reasonable, and they have not been answered. So far as I have been able to grasp, no reason has been given as to why that $3,700,000 cannot be collected, and it might be good for all concerned if it were collected. I do not know why these things should be allowed to ride along. If the departments got into the habit of paying each other promptly maybe they would get into the habit of paying individuals likewise, and that would be good for all concerned. I think we should have evidence as to whether the king's printer or the department, whoever looks after it, have made a real effort to collect the $3,700,000. It should not be allowed to pass until we have the information.

Mr. Fournier (Hull): As we have the king's printer in the house I suggest that he can probably supply the details and information.

Mr. Bradley: I should like to point out that work for the various departments is continually going on. It is not a question of doing a particular job for a department and then immediately getting paid for it. Before that one is paid there is another, and then another and another. It is going on all the time. That is the difficulty.

Mr. Macdonnell (Greenwood): That ought to be a great help. That just shows what good customers they are. They ought to be able to have the money coming in every day. There is no difficulty about it that I can see.

Mr. Lennard: You cannot get a bill paid if you do not render it.

Mr. McCann: You do not pay until you get your goods.

Mr. Lennard: You do not have to. There is no expense to the department until they deliver the goods.

Mr. Bradley: It should also be remembered that, according to the statement I have already made, we have given credit for the amount the departments owe us, and we still find ourselves short two million and a quarter.

Mr. Macdonnell (Greenwood): No, he is owed $3,700,000, and he only owes about $2,400,000. If he got his money in he would have $1,300,000 in the bank.

Mr. Knowles: It seems to me the Secretary of State and the Minister of Public Works have not yet understood the question we are putting to them. We want some information about the $3,700,000 the departments owe to the king's printer. The goods have surely been delivered and the bills rendered. It would seem a perfectly fair and proper question that we be given some examples of some of the departments that owe money, how long it has been owed and why it has not been paid.

Mr. Macdonnell (Greenwood): Here is a man who knows all about printing saying that too.

Mr. Fair: I would suggest, Mr. Chairman, that you dispense with the services of some of the lawyers, get an accountant and you will probably get somewhere.

Mr. Macdonnell (Greenwood): Which class are you putting me in?

Mr. Fournier (Hull): I have in my hands a statement of the king's printer, where it is mentioned that as of a certain date there was owed to suppliers for paper, materials and so forth, $2,265,643. To meet the payroll for salaries and wages, $160,000 is needed. Therefore a total of $2,425,643 is owed. To meet the above debts there is an overdraft in the receiver general's account of $5,590,137. I do not know if that figure was given before, but it is in this report. The king's printer is owed by other government departments the sum of $3,786,943 comprising current accounts and work in process. If the king's printer were paid by these departments there would then be an overdraft of $1,803,193. What we are asking for at this stage of the proceedings is an increase of $2 million in the revolving fund. If we were authorized under this measure to have that $2 million we would then have cash available of $196,807. If you want a list of every department that owes money to the king's printer on current accounts, work in process and invoices not yet addressed to the departments, it would be quite a job to procure that.

Mr. Macdonnell (Greenwood): That raises another question. I am sorry to be so hard to convince. We are told now that there is an overdraft of $5,590,000. We are told that

the amount owing is $2,265,000, plus something for wages. Let us hear how that overdraft is built up. What does that represent? Is that a loss or how is it built up, and over what period has it been built up?

Mr. Bradley: Possibly this may throw a little light on the subject. First, as I have already pointed out, the costs of both material and labour have gone up substantially in the last four or five years. In addition to that we have to keep larger stocks on hand all the time by reason of the increased activities of the government. With the increased stocks that we have and the increased price of those stocks, plus the fact that we have to buy substantially in advance—in some cases suppliers require six months in order to make deliveries—our inventories are built up.

I should like to draw to the attention of the committee one or two facts in connection with these increased costs. The increase in the cost of stationery amounts to about 50 per cent. The volume of our stationery stocks has increased from roughly $190,000 in 1946 to about $880,000 today, an increase of nearly 30 per cent. The increase in paper printing stores was from $482,000 to $760,000, an increase of 60 per cent. Our wages have gone up from $1 per hour to $1.65 per hour, an increase of 65 per cent. Members of the committee will recall that our inventories have gone up by 50 per cent during that period. In 1946 the inventory amounted to $1,041,631, and in 1951 to $2,219,000, an increase of over 100 per cent.

Mr. Macdonnell (Greenwood): That goes some distance towards explaining it. I admit that we are gradually getting more light on it. I still feel we have only got the story in bits and pieces. So far as I am concerned I think we should have a clear picture of the whole business. Nothing has been said yet which satisfies me as to this $3,700,000; nothing has been said to satisfy me why that amount needs to be outstanding. I shall admit quite frankly that if this passes now I shall not fully understand the position. I believe I am entitled to understand it. As I say, the story has been dug out in bits and pieces this afternoon. I suggest that this section stand until we get a clearer view of the whole position. The minister has explained part of the overdraft by saying his stock in trade is much higher than it was, but so far as I can see there is nothing to tie those figures up as yet.

Mr. Bradley: May I also point out that work in process, for which we cannot collect until it is completed, amounts to $2,394,000.

Mr. Knowles: Is any of that included in the $3,700,000?

Mr. Bradley: No.

Mr. Macdonnell (Greenwood): I feel it is not proper to let this pass without the house having before it more information concerning what it is asked to act upon. I submit that if one looks at the record, unless he has a genius which I do not have, he will not know what the story is.

Mr. Knowles: I want to support the position taken by the hon. member for Greenwood, that this matter should stand over until we have a more complete explanation. I believe there is another point that has come out which has not yet been made clear. As I listened to the figures given by the two ministers it seemed to me that the position as of yesterday showed a shortage of less than $2 million. When those figures were all added up, the overdraft—

Mr. Bradley: It is slightly more.

Mr. Knowles: The minister gave the overdraft with the receiver general, and set against that the accounts receivable and the cash on hand and came up with a figure of $1,700,000 or something like that.

Mr. Bradley: It is $1,803,000.

Mr. Knowles: Yes; and as it now stands the terms of the statute allow an overdraft of $2 million. As of the moment that seems to be sufficient. The net position as of yesterday is an overdraft of $1,803,000, and by the act as it now stands you are permitted to have a $2 million overdraft, while the bill before us asks that we allow a shortage of up to $4 million.

Mr. Bradley: No, Mr. Chairman; the shortage, if I may put it that way, was $1,803,000, against which we have a revolving fund of $2 million. That leaves us with a balance in cash on hand of $196,000. As against that we owe to outside firms $2,425,000, so we are short on our accounts to our suppliers to the extent of $2,229,000.

As I have already pointed out, it must be borne in mind that this is not a case of isolated items for various departments, one now and one some other time. This is something that is going on all the time, month in and month out. Presumably the departments are paying monthly—I do not know that—but moneys are coming in every day. However, there is always a new account sent in immediately, perhaps before the one which went in a few days ago has been paid; so that in point of fact there is always work being delivered and work being completed. As fast as one account is paid, perhaps faster, another one is incurred. It is for that reason that this amount of $3 million odd is always outstanding.

I should like to point out that this amount of $2 million was authorized in 1946 to be used by the king's printer as a revolving fund. It is to enable him to purchase stationery and printing material, and to operate an establishment for the processing of printing and stationery when requisitioned to do so by parliament and various departments. The department must encumber in advance in favour of the king's printer sufficient funds to cover each purchase requested. The department of public printing and stationery operates practically at cost, and the cost of the printing and stationery requirements which the king's printer is authorized to deliver each year to parliament and the departments must not exceed the total amount of money voted each year by parliament for its own services and for all the departments, not including the advance account of $2 million authorized for use by the king's printer as a revolving fund only. As I say, that is capital, and after all it only amounts to 25 per cent of the annual turnover.

Moneys paid to him by parliament and the departments for stationery and printing which he delivers to them are used by the king's printer to pay for stationery and printing he purchases from outside firms—because he does not do all the printing himself—or which he processes in the printing establishment of the department, and to replenish that portion of his revolving fund which he uses from day to day for his purchases or the processing of stationery and printing so that at the end of the fiscal year the revolving fund is still intact, whether it is in the hands of the king's printer or in the inventories of the department.

The amount of $2 million authorized by the amendment to the act in 1946 has proved to be insufficient, and these are the detailed reasons:

1. The increase in cost of stationery articles.

2. The necessity of increasing stocks of stationery articles due to delayed deliveries.

3. The increase in the volume of stationery required by departments.

4. The necessity of keeping larger stocks of paper due to the difficulty of getting ready deliveries from the mills.

5. The increase in wage rates for printers and administrative officers in the department.

6. The increase in the volume and the cost of printing.

I have already given the percentage increases of the various items. In short, the inventories of the department amounted to $1,041,631 in 1946. The same item in 1951 has advanced to $2,219,021, an increase of over 100 per cent. On account of these radical increases the amount of $2 million in the advance account of the king's printer has proved to be totally inadequate.

The $2 million advance account is used, as already indicated, for the processing of printing, the purchase of printing and stationery material and the maintenance of printing and stationery stocks. The actual amounts invested at this date under these three items are as follows. Work in process—that is, work actually being done and in various stages of completion—amounts to $2,394,000; stationery stocks amount to $900,000; and printing material in stock amounts to $600,000. That makes a total of $3,894,000.

As the king's printer has only $2 million at his disposal to cover this liability of $3,894,000, he is at this date short $1,894,000—this report was made out a month or so ago—which he now owes to his suppliers of printing and stationery across the country.

The statement generally reflects the position in which the king's printer has found himself in the last fiscal year. The king's printer operates at cost, and his only source of revenue is the eventual repayment by parliament and departments of the amount of $2,394,000 he has spent to this date on work in process for them. This amount will be paid to him only when this work in process is completed and delivered. In the meantime, as his working capital is insufficient, the only recourse, in order to carry on and supply parliament and the departments is, as I have said before, to withhold payment for these supplies.

I have here a list as at various dates in October showing amounts which he owed to firms across the country. Those amounts vary between October 17 and October 29 from $2,218,301 down to $1,840,934. That amount is continuously outstanding and owing by us to firms across the country.

Mr. Macdonnell (Greenwood): It has taken a long time to get this interesting document, and even now it does not answer the chief question that I am still interested in. The minister now says—and I think these were his words—that probably or perhaps the various departments pay their bills monthly. I should like to ask him this question. How much work does he do each month for government departments? Is it $1 million, $5 million, $3,700,000, or what is it?

Mr. Bradley: It would run from $1 million to $1,250,000.

Mr. Macdonnell (Greenwood): Then we have about three months' accounts outstanding and unpaid. Obviously payment is not being paid on a monthly basis or anything

like that. I do not like to be the cause of delay; it pains me greatly, but I put it to you, Mr. Chairman, and to the committee that we still have not been told the whole story. The mere fact that at one time the king's printer obtained $2 million and that costs have gone up does not impress me greatly. Maybe they were following the same easy practice years ago. Maybe they were not making the ministers pay. In those days probably they did not have as good a Minister of Public Works as we have now. But there is no reason in the world why we should not press this matter. This raises an interesting question as to the relations between departments. I am not disposed to let this matter go. I suggest again that we get a clear statement with regard to this matter and that in the meantime this section stand.

Mr. Bradley: Mr. Chairman, I have no doubt that the information required by the hon. member can be supplied, but it is going to take some considerable time to do it. I should again like to point out that the matter is not so simple as that of monthly statements and monthly payments. For example, we are now printing the revised statutes of Canada. I am advised that we have been at that job for one and a half years. For that work we have as yet received no payment at all, and we presumably shall receive no payment until the job is completed and delivered. There is one case in which it is not a question of payment monthly at all. But we have to carry it month after month. As I have already said, we have carried it for one and a half years already.

Mr. Macdonnell (Greenwood): Why?

The Deputy Chairman: Hon. members will have noticed that all the discussion is revolving around subsection 4 of the new section 38, which is section 2 of the bill. The actual clause under consideration is section 1, which has to do with requisitions. I know some latitude is always given to hon. members on the first section. Perhaps hon. members would consent to carrying section 1, which has to do with requisitions.

Section agreed to.

On section 2—*How expenses shall be met.*

The Deputy Chairman: This section creates a new section 38. Perhaps we could take this new section by paragraphs. Is that procedure agreeable to the committee?

Some hon. Members: Agreed.

The Deputy Chairman: Subsection 1 of the new section 38 deals with the manner in which expenses are to be met. Are hon. members ready to adopt this subsection?

Some hon. Members: Agreed.

Subsection agreed to.

The Deputy Chairman: Subsection 2 of the new section 38 deals with accounting. Is it the pleasure of hon. members to agree to this subsection?

Mr. Knowles: In agreeing, may I point out that as to the three subsections which you are now referring to, Mr. Chairman, there is no change from those subsections as they stand in the act at the present time.

The Deputy Chairman: Then is subsection 2 agreed to?

Some hon. Members: Agreed.

Subsections 2 and 3 agreed to.

The Deputy Chairman: We now come to subsection 4. This is the subsection which the hon. member for Greenwood has asked to be allowed to stand. Perhaps I should refer the hon. member to citation 691 of Beauchesne's third edition. Unless this subsection is to be allowed to stand by unanimous consent, the hon. member will have to move that consideration of the subsection be postponed. If he makes that motion, and as the subsection is before the committee, if there is no agreement on it I will have to put it to a vote.

Mr. Macdonnell (Greenwood): I understand that, Mr. Chairman. I just want to reiterate what I have already said. I have asked for information, and it seemed to me a reasonable request. If we may not have that information, then we cannot get it; that is all. I will move that consideration of the subsection be deferred until this information which I have asked for—and I think it was a reasonable request—is available.

Mr. Fournier (Hull): Before we vote on this may I say that as I understand the discussion up to now, there is a sum due by the departments to the king's printer amounting to some $3 million odd as of November 22. The amount varies every day. The detail the hon. member wants is the amount due by the departments to the king's printer showing the change that occurs daily. The accounts are paid regularly. It would be quite difficult and would take a long time to prepare all these accounts, because every time we make a requisition to the king's printer for work to be done it is verified by the comptroller of the treasury, who looks into the account to see if we have that amount of money. Then the amount is encumbered, and cannot be spent otherwise than to pay for the requisition made. That amount is set aside by the comptroller of the treasury, and when we receive delivery of the goods, or the work is performed, an invoice comes in and the comp-

troller of the treasury pays that over to the king's printer, if I understand well the *rouage* of the procedure.

To answer the question asked by the hon. gentleman would be quite difficult because of the constant change in the amount of those accounts collectible by the king's printer. If the hon. gentleman would let this section pass I am sure the king's printer would open the books to him. He could see all the details. I do not think there is any objection to a member of parliament going into the details, but it would be quite cumbersome to come down here with all the books of the king's printer, with the outstanding accounts and so forth. Perhaps I am not reasonable in this, but that is the way it appears to me; and if it had the same effect on the hon. gentleman we would get this bill through.

Mr. Macdonnell (Greenwood): I think you are very reasonable. I am only sorry that you thought I was unreasonable. I thought I made my motion in very general terms. I certainly did not want to cause a lot of irksome delay, but at the present time we have no picture, I submit, of what is really happening. We know that this department is owed $3,750,000 by other departments. We do not know how the payments are made except they seem to be a bit late. We also know that a little over $1 million in work is done month by month by this department for all other departments. I am frank to say to the Minister of Public Works that as far as I am concerned I would be perfectly satisfied with figures which would indicate in a general way what is happening between this department and the other departments. Anything which would satisfy a reasonable man—I will assume for a moment that I am one—and which would not cause great inconvenience to prepare would satisfy me. It would be in the public interest to have these payments made promptly. It is perfectly obvious at the moment that they are lagging months behind. There may be good reason for that, but up to the moment I have not got it and therefore I am going to let my motion stand.

Mr. Knowles: May I make this suggestion. I wonder whether or not we could pass this clause and have third reading stand over to a future sitting of the house. In the meantime the Secretary of State might lay on the table of the house a break-down of that $3,700,000 figure as of yesterday, and any other statements in that return which might help to answer the questions that have been asked today.

Mr. Bradley: I do not think there would be any objection to that.

[Mr. Fournier (Hull).]

Mr. Macdonnell (Greenwood): That fails to cover one thing I have had in the back of my mind. There might be some amount less than $2 million, perhaps $1 million additional, that might be adequate. Nothing has been said yet to indicate that this cannot be done. I certainly do not want to be obstructive. If the Minister of Public Works feels that my request is unreasonable, all right; I will let it stand on the suggestion made by the hon. member for Winnipeg North Centre.

Mr. Fournier (Hull): I thank the hon. member for Greenwood for being co-operative. I think it is reasonable that third reading be delayed for some time. The Secretary of State would have the details as to specified dates and as to the outstanding accounts for work in process which cannot be collected immediately by the king's printer. This return could be made to the house before third reading of the bill.

Mr. Bradley: There is no objection whatever to that. The only thing I would point out is that if this $3,700,000 were paid now we would still need $2 million in order to pay our bills.

Mr. Macdonnell (Greenwood): That is not a bit clear.

Mr. Black (Cumberland): I have been listening to the discussion, and if anything the hon. member for Greenwood is too reasonable. The minister wants authority to increase the advances by $2 million. In order to have sufficient knowledge to justify giving our approval we should have the information that is asked for. Now is the time for us to have the information with respect to what the departments owe the king's printer. If the different departments owe $3,700,000, that must be up to a certain date or the minister would not have come to us with that amount. We understand that it fluctuates from time to time. Now is the time to have the information, not after the bill is passed, to justify us in approving this legislation. We should also have a statement from the minister as to why the king's printer owes $2 million for supplies. So far as we know they may be owing $1 million too much. Someone in the department may have ordered much larger stocks than are justified. If that is so, there is no warrant for hon. members to increase the credit of the department to the extent of $2 million. That is particularly so if the supplies are very much larger than needed. There may be a lot of dead stock in the department. We should have a statement from the minister as to the standing of

the purchases, whether they are justified in having on hand $2 million worth of goods more than are needed. We should have a statement from the minister clearing up that situation.

Mr. Bradley: I take it, Mr. Chairman, that the king's printer has some knowledge of his department. I do not think it likely that he is going to carry more stock than he actually needs for the purpose of his department.

Mr. Knowles: May I ask one question? Are there any wages unpaid because of this so-called shortage of money?

Mr. Bradley: No wages unpaid, Mr. Chairman.

The Deputy Chairman: Subject to the observations that have been made by the minister and accepted by the hon. member for Greenwood, I understand that clause 2 is carried.

Section 2 agreed to.

Title agreed to.

Bill reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, I move the adjournment of the house. On Monday we will resume the debate on the address.

Motion agreed to, and the house adjourned at 4.40 p.m.

HOUSE OF COMMONS

Monday, November 26, 1951

The house met at 2.30 p.m.

NORTH ATLANTIC TREATY

CANADA'S CONTRIBUTION TO EUROPEAN DEFENCE —REFERENCE TO STATEMENT OF MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with your permission I must refer once again to the matter of privilege raised by the hon. leader of the opposition (Mr. Drew) on Wednesday last with respect to the report of a statement attributed in press dispatches to the Minister of National Defence (Mr. Claxton) at Rotterdam. Today the Montreal *Gazette* publishes on its first page the following explanation:

No cost figure set by Claxton. $100 million for Europe 'dromes based on estimates.

Toronto, November 25, C.P.: The $100 million attributed to Defence Minister Claxton in a Canadian Press story from Rotterdam November 21, as the cost of airfields in western Europe, was an estimate made by Douglas How, C.P. staff correspondent. It was based, How says, on statements by Mr. Claxton in the past that a modern airfield cost $20 million or more. No specific figure was mentioned by Mr. Claxton at Rotterdam. How's original cable from Rotterdam read:

"Claxton announced Canada foot bill for four or five new airdromes—likely to cost in vicinity of $100 million—in western Europe to field eleven squadron jet air division which capable providing tactical support for full-fledged army."

Then there are parentheses, and it reads:

(It then went into Mr. Claxton's references to Canada sending arms for more European divisions, and other matters.)

As extended and backgrounded by the Canadian Press cable desk for publication the dispatch ascribed the figures between dashes to the minister as follows:

"Rotterdam, The Netherlands, November 21, C.P. —Brooke Claxton announced today that Canada will foot the bill for four or five new airdromes in western Europe to field an eleven squadron jet air division capable of providing tactical support for a full-fledged army . . .

There are three or four points of suspension, then it goes on:

"The airdromes, he said, will cost in the vicinity of $100 million."

When this story, among others, became a focal point of controversy in the House of Commons, How was messaged by his head office for confirmation of the announcement that Canada would foot the bill for the airdromes, and for clarification as to whether the estimate of cost was his own or the minister's.

He replied that according to his recollection the defence minister, in answer to a direct question, left no doubt that in the long run in one way or another, Canada would pay for the airfields in question. But that the $100 million figure was his own estimate, based on previous statements by the minister as to the cost of airfields.

Perhaps the lesson from this might be that at times statements, even by ministers of the crown as to what they have said or have not said, might be regarded as apt to be as reliable as the expanded or backgrounded reports published by news agencies.

In that connection the same issue of the Montreal *Gazette* has as its lead editorial one entitled, "Parliament's servant, even in Holland". The first paragraph reads:

The Claxton incident ought not to be exaggerated. Everybody makes mistakes—sometimes bad ones. But the whole matter could have been much better settled if the errors were admitted, with a reasonable expression of regret.

Well, I suppose we can take it that the *Gazette's* error is sufficiently admitted by the publication in the same issue of the article which I have just read. As to whether or not the writer of that article will see fit to make any expression of regret is a matter for himself to decide.

Mr. George A. Drew (Leader of the Opposition): We are, Mr. Speaker, dealing with the reports of very reliable press agencies, and I would point out that the Prime Minister (Mr. St. Laurent) has completely failed to deal with the fundamental issue raised both by the editorial in the *Gazette* to which he has referred and the report which has been issued by the Canadian Press after checking with their reporter, Mr. How. The fact is, in so far as the question of policy is concerned, it does not make any difference whether the amount involved is $1 million, $100 million, or $500 million. From a careful reading of the Canadian Press dispatch to which the Prime Minister has referred, it is quite clear that the report stands except for the figure. This is a financial detail, and a very important one, but the question of policy is whether or not a decision that Canada is to foot the bill for airfields—and may I add for barracks which were not mentioned by the Prime Minister—is to be presented to this house for consideration, or whether the hon. members of this house and the people of Canada are to learn about it for the first time through a statement made in Rotterdam or anywhere else outside of Canada.

When this statement was brought to the attention of the Prime Minister last Wednesday, he did not leave any doubt about his

own position and the position of the government. These are his words as reported in *Hansard* at page 1223:

> . . . no such policy has been decided upon by the Canadian government.

The money, vitally important though that is, is not the question of policy. The Prime Minister told us last Wednesday that no such policy had been decided upon by the government. The statement as checked, revised and printed today as coming from the Canadian Press headquarters in Toronto leaves the statement of policy precisely where it was last Wednesday. I return also to the question of the barracks, because the Prime Minister either has overlooked that subject or has avoided it. The members of this house will recall that from The Hague, the night before the announcement in Rotterdam, the Minister of National Defence (Mr. Claxton) had announced that Canada was going to build barracks near Soest in Germany at a cost of between $5 million and $10 million, and that those barracks would be built by Germans, with the construction starting within a few months.

A new and interesting angle in connection with this matter arose as a result of another Canadian Press dispatch on Saturday—a dispatch published since this house last met—in which it was stated that Canadians have luxury barracks which were built during the Hitler regime. Mr. Speaker, if Canadians now have luxury barracks which were built by Hitler, I should think it would be a good thing if we continued to use those barracks. I cannot imagine a better purpose to which those barracks, originally built for the nazis, could be put than that of housing Canadians. In any event, we have as yet had no suggestion that the Minister of National Defence's statement at The Hague was not correctly reported. We are therefore still left with the statement that Canada is going to build barracks in Germany at a cost of between $5 million and $10 million.

May I repeat what was said before. I do not think anyone in this house is raising any question about our fulfilment of any obligations which we properly share as a member of the North Atlantic Treaty Organization. But surely there are questions to discuss as to whether it is not appropriate that the contribution of some of these European nations might well be the construction of barracks or the building of airfields while we are supplying arms on a divisional scale; according to another announcement made by the Minister of National Defence, our undertaking was to complete the delivery of arms for four divisions. Surely those are questions of policy which are not affected in principle by the amount involved.

I think the explanation given by the Canadian Press as to the way in which Mr. Douglas How arrived at the figure of $100 million is one that to most members of this house would seem to be perfectly reasonable, they being well aware of the manner in which press reports are prepared and, may I also say, well aware of the manner in which the government at times gives information to the press outside of the regular conferences. In any event, the statement as originally raised stands, and I suggest that what has been stated by the Prime Minister and what was left unsaid about the barracks leaves this house still with no satisfactory explanation of why these policies were not announced here and why we should be left to learn of them through the press.

Mr. St. Laurent: Mr. Speaker, I suppose the leader of the opposition is entitled to get as much consolation as he can about what he has referred to in his last remarks. But I am willing now to leave the matter on the record as it stands in *Hansard*. It will be remembered that the statement which was referred to about the barracks was this:

> . . . the minister said the barracks will be built by Germans, the work to start in the next few months and be completed late next year.

That is no announcement of government policy, because it is not the policy of this government to announce what is going to be done by Germans.

Some hon. Members: Oh, oh.

Mr. Fraser: That is a poor one.

Mr. St. Laurent: It is sufficient for us to announce to parliament what the plans of the government are. That has been done and it will continue to be done.

Mr. Drew: Mr. Speaker, am I to take it from the Prime Minister's remarks that the Minister of National Defence was speaking on behalf of the Germans when he made that statement?

Mr. St. Laurent: The hon. member can "expand and background" the statements as he sees fit; and I hope that he will not be any less successful than the Canadian Press.

KURT MEYER

COMMITMENT TO WERL PRISON, GERMANY —REFERENCE TO PRESS REPORT OF RELEASE TO VISIT HIS HOME

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, you will be glad to learn that this is another question of privilege that I propose to raise. On October 19 last the

Minister of National Defence was asked to make a statement with regard to the status of Kurt Meyer, and he did so on October 22, as reported at page 245 of *Hansard*. After explaining that Kurt Meyer was being committed to Werl prison in Germany, a prison which he designated as a Canadian service prison, he went on to say:

> The answer is that Meyer is still under the control and jurisdiction of Canada.

Today we read in a Canadian Press dispatch that when a representative of the Canadian Press called at Kurt Meyer's house on Saturday, with the expectation of seeing Mrs. Meyer—

Some hon. Members: Oh, oh.

Mr. Drew: I might say, Mr. Speaker, that the representative of the Canadian Press assumed that the report would be taken with sufficient seriousness that he did not find it necessary to give any other explanation of the fact that he was calling at Kurt Meyer's house, expecting to see Mrs. Kurt Meyer and to obtain from her information about her husband. He found Kurt Meyer playing with his children, explaining that he had been released from prison under an arrangement whereby the prisoners at that particular prison camp are permitted to visit their homes. Remembering that this prisoner is under Canadian jurisdiction, the question arises as to whether the Canadian government has given authority to Kurt Meyer to visit his home at regular intervals in this way.

Right Hon. L. S. St. Laurent (Prime Minister): I understood that the parliamentary assistant to the Minister of National Defence had inquired into this matter and had an answer prepared.

Mr. R. O. Campney (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, the fact is that Kurt Meyer was transferred to a British prison at Werl in Germany—a prison which is operated for the punishment of war criminals convicted by Great Britain. While he was so transferred for purposes of incarceration, as the Minister of National Defence said at page 245 of *Hansard*, he remains under the control of the government of this country so far as sentence is concerned, and any release—that is, permanent release—would be within the jurisdiction of this government.

It is provided by section 178 of the National Defence Act that the minister may designate any prison as a service prison. As announced by the minister in the house on October 22, he so designated Werl prison as a service prison. Order in council P.C. 5596, dated October 18, 1951, was also tabled on October 22, setting out the regulations that govern prisoners in service prisons. Section 2 of those regulations specifically provides that a prisoner who is undergoing punishment in a place designated as a service prison under the National Defence Act shall be dealt with in the same manner as other prisoners in that place, and all the rules applicable to such other prisoners shall, in so far as circumstances permit, apply to him.

The regulations governing the operation of the prison at Werl are within the jurisdiction of the British authorities, and it is presumed that all prisoners there are subject to the same regulations as provided in the order in council to which I have referred.

We have made inquiries as to the specific rules dealing with the point raised by the leader of the opposition and have not yet received information as to what the rules in the British prison are. As soon as we have that information we will give it.

Mr. Drew: I would point out that the circumstances under which General Kurt Meyer came under the control of the Canadian government are very harrowing indeed to a number of Canadian families, and they affect the sentiments of a great number of Canadians in regard to the conduct of those responsible for military action. Kurt Meyer was found guilty of the responsibility for the death of certain Canadians. Either he was guilty or he was not. If he was guilty there was a form of punishment provided. If he was not guilty he should be freed. I submit further, Mr. Speaker, that there should be no intermediate stage. I do submit that it is a very surprising thing to be informed now that although the government has full responsibility for Kurt Meyer, whom they arranged to send to Germany, they have sent him to a prison whose rules they do not know. Judging from the answer that has been given, if these rules should provide that a prisoner be absent from the prison for six months, there would be no reason why it would not apply in this case. I would assume also that if the British authorities decided to extend that privilege to General Manstein and other prisoners, including General Kesselring—General Manstein and General Kesselring occupy cells on both sides of General Kurt Meyer—under the explanation that has been given, it would apply to General Kurt Meyer as well.

This is not something that is being raised by way of simply seeking to provoke a discussion. It is a matter of very deep and grave concern to all Canadians. This goes to the conduct of the military forces with which we were engaged in the war. Most certainly, if there was one man above

Kurt Meyer

all others who should be under appropriate restraint for life—if that is the penalty—it is the man who was responsible for the death of young Canadians, and most certainly there should be no easy treatment for a man who is guilty of that offence, and guilty under the circumstances that were accepted as evidence at the trial. I can only repeat that what has happened now suggests that the house should have been informed before Kurt Meyer left Canada; but in any event, the government should have been informed as to the regulations at Werl prison before Kurt Meyer was sent there. I suggest now that this whole case be reviewed. Either Kurt Meyer is guilty or he is not. If he is guilty he should receive the punishment that goes with guilt of this kind. If he is not guilty, he should be freed.

Mr. G. A. Cruickshank (Fraser Valley): May I ask a supplementary question of the parliamentary assistant? As an old veteran I do not need any assistance from Winnipeg. I feel keenly about this. If, as the leader of the opposition (Mr. Drew) said, this man as a soldier was found guilty by the courts of the land, as we presume he was, of murdering Canadians, then by no stretch of the imagination, so far as I am concerned, should he be permitted to spend a week end visiting his wife, anybody else's wife, or anyone else. I should like to ask a question through you, Mr. Speaker. We have never yet been definitely assured of what has happened to the man who wrote "Mein Kampf", who caused ruin to this whole world. If he should turn up now, is he to be permitted to visit the little lady friend he had, for a week end or two? I want to know definitely. I feel very keenly about this. Either this man is guilty or he is not.

Some hon. Members: Order.

Mr. Cruickshank: If he is guilty, as I understand he was so found by courts set up under international law, then I should like any veteran member of this House of Commons or any member of the Legion to rise in his place and apologize or approve of some reason why this man should have a week end of leisure at home or anywhere else. The courts of the land have convicted this man of murdering young Canadian soldiers. I do not approve of it. I do not know just how strongly to put it, Mr. Speaker, but as a veteran I think it is a blot on the law of Canada and on international law that this should be permitted, that this rat should be permitted to go home for a week end, when at least 19 Canadian mothers are mourning the death of their sons who were murdered.

Mr. Pouliot: All that has been said—

Mr. Ferguson: This German general was—

[Mr. Drew.]

Mr. Pouliot: Mr. Speaker—

Mr. Speaker: Order. I do not know whether the house desires to debate this subject.

Mr. Pouliot: No, Mr. Speaker, I am speak- about a different matter.

Mr. Ferguson: I intend to speak about it, definitely.

Mr. Speaker: Order.

Mr. Pouliot: Mr. Speaker, I rise to speak on a question of privilege.

Mr. Speaker: I am in the hands of the house. It is not customary to debate a question of privilege. I realize this is an unusual session. We do not have a committee of ways and means and a committee of supply, and it is for that reason that I have allowed a certain amount of latitude. There have been several speeches on the question raised by the leader of the opposition. I do not know whether the house wants to continue that subject.

[*Later:*]

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I will not mention names, but I say that every member in the House of Commons does have a right to voice his opinion about a gentleman from an enemy country who is found guilty of committing acts—

Some hon. Members: Order.

Mr. Ferguson: Instead of being shot he was sentenced to life imprisonment, and the people of this country, the people of Canada, thought that this man was going to serve the sentence given to him by a just court composed of those who know what war is, and who know that these Canadians were young boys who were probably taken because of lack of ammunition. Then they were taken prisoner and were murdered by a man—

Some hon. Members: Order.

Mr. Ferguson: —who was given a sentence that the people of Canada did not believe was quite good enough. But when they were told he was going to be given life imprisonment they did not believe that that life imprisonment meant freedom. They will judge this government by their actions in this case. It is a crime and it is a slur on the people of Canada who fought in the last war—to think that our government would permit this to happen.

HOUSE OF COMMONS

PRIVILEGE, MR. POULIOT—TRANSLATION OF SPEECHES

Mr. Jean François Pouliot (Temiscouata): I agree with you, Mr. Speaker. All that has been said about Kurt Meyer was out of

order. I am not to speak about it; I rise on a question of privilege. I rise on a question of privilege which concerns me and also other members of the house who look at the translations of their speeches.

There are two official languages in this country; but I have discovered that for a long time there has been a third one, the language of bureaucracy. Twenty-five or twenty-six years ago I put a question on the order paper to find out who was the man who had translated such-and-such a speech in *Hansard*. It created a commotion in bureaucratic circles. When I got the answer, the name of one of them was a translator who, instead of doing his work, was canvassing members for General de Gaulle at the time. He was a very busy gentleman.

What I complain about is that the language of bureaucracy is not understood by the people. When we have a translation from English into the language of bureaucracy, nobody understands it; and it is so bad that I cannot send speeches to the local weeklies to be reprinted, because nobody would understand them.

I will give the example I gave twenty-five years ago. There has been no progress since, because the strength of bureaucracy is the force of inertia. When I say the constituents of my county, or my constituency, I mean in French "Les électeurs de mon comté". Everybody uses that language from coast to coast, when one speaks in French. Instead of that, they have persisted in publishing, time and time again, instead of "les électeurs de mon comté" the words "les commettants de ma circonscription".

Some hon. Members: Oh, oh.

Mr. Pouliot: You laugh, Mr. Speaker; it is ridiculous. But, for their punishment, I shall ask again: Who first translated two or three little speeches which I made in English since the beginning of this session? I did not take much time. I wish my speeches to be translated in the French language, in the French that is spoken—good Canadian French, and Canadian language, which is used from coast to coast.

And I will tell you, some time, a little more about the translators who are busy distorting our language in the French edition of *Hansard*.

RAILWAY LEGISLATION

Second report of the special committee on railway legislation.—Mr. McCulloch (for Mr. Cleaver).

QUESTIONS

GUT DAM—EFFECT ON WATER LEVELS OF LAKE ONTARIO

Mr. Lennard:

What effect has the Gut dam at the easterly end of lake Ontario on the water levels of that lake?

He said: Mr. Speaker, I request that this question be dropped.

Mr. Speaker: Dropped.

STRATEGIC MATERIALS—PRICE FIXING AND SUPPLY FOR DOMESTIC USE

Mr. Macdonnell (Greenwood):

Has the Minister of Trade and Commerce, in cases where for war purposes we shorten the supply of materials and the remainder is insufficient for domestic supplies, taken steps to fix prices on materials for domestic use and arrange distribution?

Mr. McIlraith: For such materials as are in short supply, by reason of excessive demands to meet defence requirements, the government has appointed controllers to take charge of the distribution and no price increase for these materials can be made without prior approval being obtained from the controller. This applies particularly to steel, non-ferrous metals, sulphur and certain chemicals, at the present time.

CANADIAN WAR CLAIMS COMMISSION—CANADIANS RETURNED FROM JAPANESE PRISONS

Mr. Fulton:

1. Who are the personnel of the Canadian war claims commission, and what are their respective salaries?
2. What clerical and other staff does the commission have, and what are the total salaries for this staff?
3. What is the total number of claims from Canadians which the commission has under consideration?
4. Of these, how many are claims from Canadians who were imprisoned or interned by the Japanese?
5. Of the claims covered in part 4, when was the first one received?
6. Have any of these claims yet been paid?
7. What is the total of such claims?
8. What is the total of Japanese assets in the hands of the commission or of the custodian for distribution?
9. Have any interim payments been made on any of the claims?
10. If not, for what reason?
11. Have any Canadians been paid any money for the period during which they were interned or imprisoned?
12. Has the Canadian government done anything for returned Canadian civilian prisoners of the Japanese beyond arranging for their return to Canada?

Mr. Bradley:

1. Commissioner: Right Hon. J. L. Ilsley, Chief Justice of Nova Scotia, appointed by order in council of July 31, 1951, as an advisory commissioner on the method of dealing with war claims. No compensation.

2. Technical adviser: H. Carl Goldenberg, barrister, as and when services are required. Compensation $150 for each day during which he is so occupied. 1 secretary: Mrs. N. M. Haynes; salary: $200 per month.

3. The commissioner is acting in an advisory capacity only and will not make recommendations or awards on individual claims. The commissioner will recommend to the government which classes of claims should be paid in full, which in part only and which, if any, should be disallowed. Claims from approximately 4,000 Canadians have been received by the war claims branch of the custodian's office.

4. Claims have been submitted to the war claims branch on behalf of approximately 1,750 former prisoners of war of the Japanese and on behalf of approximately 125 former civilian internees or detainees of the Japanese.

5. December, 1943.

6. No.

7. Claims submitted on behalf of former prisoners of war of the Japanese total approximately $2 million, computed at the rate of $1 a day for every day of imprisonment; claims submitted on behalf of former civilian internees or detainees of the Japanese total approximately $625,000.

8. There are no Japanese assets in the hands of the commissioner. The custodian has under control approximately $3,425,000 of assets which formerly were owned by Japanese enemies. When the treaty of peace is ratified such assets will be at the disposal of the Canadian government.

9. None other than the following: (a) a few officers or employees of the government of Canada received compensation from the government in respect of loss of belongings incurred upon leaving their posts; and (b) a few Canadians were compensated by the governments of two or three Far Eastern countries under local schemes in respect of property losses.

10. There is no authority to make interim payments but this matter is under active consideration.

11. Former civilian internees or detainees have received nothing. Former prisoners of war were credited with their pay while imprisoned and in appropriate cases have received pensions if disabled as a result of imprisonment.

13. No, except that in some of the cases mentioned in (a) and (b) of No. 9 above the claimants so compensated may have been interned by the Japanese.

[Mr. Bradley.]

DEFENCE CONSTRUCTION—MATERIAL SHORTAGES

Mr. Hellyer:

1. What defence construction projects are held up by material shortages?

2. In each case, what are the specific materials and quantities that are not available?

Mr. McIlraith:

1. In carrying out the defence construction program, there have been a number of difficulties due to material shortages, resulting in delays in getting materials to the different sites as rapidly as might have been desired. However, as a result of government action and the co-operation of industry, there are only three cases where work is not proceeding because of material shortages.

2. The following defence construction projects are not proceeding because of material shortages: (i) Construction of RCEME workshop for the army at Long Branch, Ontario. This project requires 224 tons of structural steel ordered on American mills. Delivery to the Canadian fabricator was set back from September to November due to changes in the American controlled material plan regulations. Fifty per cent of the requirement has now arrived at the fabricator's shop and is being fabricated. Present plans call for erection at the site to commence December 10. (ii) Chemical laboratory for the defence research board at Shirley's Bay, Ontario. This project requires 160 tons of structural steel. Originally an effort was made to place this order on an American mill but due to delays arising out of the controlled material plan regulations, the order was subsequently placed on a Canadian mill. Twenty-five tons have been delivered to the fabricator and the balance is to be delivered before December 31. Present undertaking of the fabricator is that erection will start not later than February 1, 1952. (iii) Construction of 250-man barrack block for the R.C.A.F. at Centralia, Ontario. This project requires 137 tons of structural steel ordered on American mills. Delivery to the Canadian fabricator was scheduled for October but was received in October and November. The delay arose due to changes in the American controlled material plan regulations. Fabrication is now being completed and erection at the site is to commence during the week of November 26.

NATIONAL REVENUE—OFFICES IN SYDNEY, N.S.

Mr. Gillis:

1. How many offices does the Department of National Revenue occupy in the city of Sydney, Nova Scotia?

2. Are these offices owned by the government, rented or leased?
3. If rented or leased, from whom?
4. What rental is paid per year?
5. Does the rental paid include heating, lighting and janitor service?
6. If so, what amount of the rental is allocated for such services?

Mr. Fournier (Hull):

1. Two.

2. One office, which is occupied by the customs division, is located in the public building, and the other, which is occupied by the income tax division, is in a rented building.

3. Joseph G. Azar.

4. $20,448.77.

5. The rental includes heating and janitor service, but not lighting.

6. No information.

NATURAL GAS AND OIL PIPE LINES—INVESTIGATION BY GOVERNMENT

Mr. Knowles:

1. Has there been made by any branch or department of the federal government an investigation or study of the whole question of natural gas and/or oil pipe lines, including any or all aspects of the question?
2. If so, has such investigation or study resulted in the preparation of a report thereon?
3. If there is such a report, is it available to members of parliament and to the public?

Mr. McIlraith:

1. Yes.

2. A confidential report on the crude petroleum industry, dated July, 1950 and one on the natural gas industry, dated May, 1951, were prepared for use by the government.

3. These reports are confidential, prepared by government employees for government use and therefore not available for general distribution.

IMMIGRATION—HOSTELS AND COSTS OF MAINTAINING IMMIGRANTS

Mr. Churchill:

1. How many hostels are there to deal with arriving immigrants, and where are they located?
2. What is the cost per person per day of maintaining immigrants in these hostels (a) when maintained by the Department of Labour; (b) when maintained by the Department of Citizenship and Immigration?

Mr. Harris (Grey-Bruce):

1. (a) The Department of Labour operates two hostels for the reception of immigrant workers, one located at St. Paul l'Ermite, Quebec, and one at Ajax, Ontario. (b) The Department of Citizenship and Immigration maintains eight buildings in which immigrants may be housed and fed. These buildings are located in Halifax, Saint John, N.B., Quebec, Montreal, Winnipeg, Edmonton, Vancouver, and Victoria.

2. (a) The average cost per person per day of maintaining immigrants at Department of Labour hostels is $2.88, which includes rent, salaries, services, food, and other supplies and depreciation. (b) The cost of maintaining immigrants in buildings operated by the Department of Citizenship and Immigration is approximately $2.50 per person per day. This includes food, salaries of catering staff, light, heat, laundry, and small items of kitchenware.

IMMIGRATION—SHORTAGE OF SHIPPING—PRIORITY

Mr. Churchill:

1. Is there a shortage of shipping for (a) British immigrants; (b) other immigrants, by countries?
2. Is British immigration being held back by shortage of shipping?
3. If so, what is the order of priority, if any, allowing British immigrants to come forward as among different categories?

Mr. Harris (Grey-Bruce):

1. (a) Yes. (b) Yes. All European countries, in varying degrees, with the exception of Mediterranean countries.

2. See answer to No. 1.

3. The Canadian government does not control the booking of passage by private companies. The booking of passage is handled by the transportation companies.

NORTH RUSTICO BAY, P.E.I.—CONSTRUCTION OF BOAT HARBOUR

Mr. McLure:

1. Were tenders called for the building of the boat harbour at North Rustico bay?
2. If not, will this work be completed by day's labour?
3. Will this boat harbour or boat protection be built in one place, or will it accommodate fishermen at the north end of bay as well as south?
4. What is the estimated amount for this work?

Mr. Fournier (Hull):

1. Yes, a contract was awarded for repairs to the breakwater at an estimated cost of $19,483.50.

2. Further repairs to the breakwater, estimated to cost $4,900 are being performed by day labour. Repairs to the North Rustico wharf, estimated to cost $2,500, have also been authorized.

3. The breakwater is maintained for protection of the harbour entrance as well as for protection of fishing establishments in its

vicinity. The wharf is maintained for the accommodation of boats in the vicinity of North Rustico village.

4. Answered by Nos. 1 and 2.

IMMIGRATION—TEMPORARY LOANS TO EUROPEAN IMMIGRANTS

Mr. Dinsdale:

1. Has the practice of providing temporary loans to European immigrants, in order that they might get passage to Canada, been discontinued?

2. If so, when was this done, and for what reason?

Mr. Harris (Grey-Bruce):

1 and 2. The issue of travel warrants under the assisted passage loan scheme was suspended on October 11, 1951, because the total revolving fund had been committed at that time.

FLOOD PREVENTION—STUDIES OF PROTECTIVE MEASURES

Mr. Knowles:

1. Has the government received, since January 1, 1951, representations urging prompt completion of protective studies with reference to long-range protective measures against future floods in the watershed which includes the Red, Assiniboine and Pembina rivers, so that any comprehensive plan based thereon may be established at an early date?

2. If so, from whom?

3. What progress is being made in connection with the completion of these studies?

4. Have these studies been advanced to the point where the type of plans to be based thereon can be indicated?

5. Can the government give any other information concerning progress in connection with these long-range protective measures against future floods in the Red river area?

Mr. Winters:

1. Yes.

2. The council of the Winnipeg chamber of commerce.

3. Field investigations and office studies are going forward with the objective of completing a report at as early a date as possible.

4. No.

5. Good progress is being made in the accumulation and analysis of pertinent data from topographic, hydrographic and bathymetric surveys, soil examination, diamond drilling and so forth.

VETERANS—MEDICAL TREATMENT—DEDUCTION OF PENSION PAYMENTS

Mr. Diefenbaker:

1. How many veterans, suffering from tuberculosis and accepted as the responsibility of the Department of Veterans Affairs, are receiving medical treatment in sanatoria or other hospitals in Canada?

[Mr. Fournier (Hull).]

2. In provinces in which free treatment is given, does the Department of Veterans Affairs deduct any portion of the payment of pension to cover payment for treatment?

3. If so, has consideration been given to discontinuing doing so?

Mr. Mutch:

Return at November 13, 1951:

1. 1,070.

2. No. A pensioner, however, under treatment as a responsibility of the department in a sanatorium or other hospital for his pensioned condition "tuberculosis", receives while in hospital, in the form of pension or treatment allowances, the equivalent of a 100 per cent pension less $15 a month. The $15 a month is deducted because he is not under expense for food and lodging.

3. Answered by No. 2. The matter has been under consideration.

UNITED STATES TARIFF ON FROZEN FISH FILLETS FROM CANADA

Mr. Balcom:

1. Is the government aware of any investigation being made by the United States tariff commission into the tariff on frozen fillets of cod and haddock entering the United States?

2. Under our trade agreements with the United States are Canadian producers protected against increases in the United States tariff on these items?

Mr. McIlraith:

1. Yes. According to available information, a request has been made to the United States tariff commission to investigate the need for increased tariff protection for groundfish fillets produced in the United States. As a result of such an investigation, the tariff commission may, in certain circumstances, recommend to the President of the United States an increase in the tariff rate which is involved. Under United States law, it is understood that such a recommendation cannot be made unless it is found that increased imports are the cause or the threat of serious injury to a domestic industry, nor unless it is found, further, that these increased imports are the result of a tariff concession negotiated by the United States under a trade agreement. The tariff rate on frozen fillets of cod and haddock entering the United States is contractually bound against increase in the general agreement on tariffs and trade, which is the operative trade agreement between Canada and the United States.

2. Under this agreement, it would not be permissible for the United States government to increase the tariff in question unless it could be shown that groundfish fillets are being imported into the United States in such increased quantities as to cause or threaten serious injury to domestic producers of like

products and, further, unless it could be shown that the increased imports are the result of unforeseen developments and the result, also, of the tariff concession under the agreement. Even if the United States government should decide, as a result of a recommendation by the United States tariff commission, to increase the tariff rate in question, the Canadian government would have the right, under the general agreement on tariffs and trade, to be consulted on all aspects of such proposed action.

CATTLE, ETC.—NUMBER IN CANADA—EXPORTS TO U.S.A.

Mr. Diefenbaker:

1. What was the number of (a) milk cows; (b) cattle; (c) pigs; (d) sheep, by provinces, in each of the years 1941 and 1951?

2. How many (a) milk cows; (b) cattle, were exported to the United States in the year 1950, and to date, during each month in 1951?

Questions

Mr. McIlraith:

1. See statement following.

2. Canadian exports of milk cows and cattle to the United States:

	Milk Cows No.	Cattle, Pure Bred No.	Cattle, Other No.
1950—Calendar year	47,043	22,726	386,949
1951—January	2,927	1,084	18,372
February ...	3,948	1,427	15,361
March	3,979	1,702	21,530
April	3,057	2,242	18,780
May	3,940	1,847	19,078
June	3,393	1,565	13,317
July	3,732	1,490	6,666
August	3,031	1,575	10,835
September ..	2,945	2,161	15,149
October	2,799	1,492	18,365

Number of Specified Live Stock on Farms in Canada, by Provinces, 1941 and 1951

—		Milk Cows[1]	Cattle[2]	Pigs	Sheep[3]
Canada (excluding Newfoundland)	1941	3,626,025	4,890,982	6,081,389	2,839,948
	1951	3,541,700	5,791,600	5,875,000	1,968,100
Prince Edward Island	1941	46,404	47,973	48,205	44,269
	1951	43,600	57,800	76,000	48,000
Nova Scotia	1941	108,130	96,764	44,303	138,209
	1951	98,000	104,000	62,000	127,300
New Brunswick	1941	114,764	92,229	68,018	92,556
	1951	102,000	101,000	92,000	71,400
Quebec	1941	1,000,795	756,392	808,017	526,087
	1951	1,129,500	908,800	1,439,000	377,800
Ontario	1941	1,155,849	1,483,639	1,882,012	661,775
	1951	1,204,400	1,807,500	2,150,000	475,400
Manitoba	1941	306,294	399,043	503,407	246,169
	1951	236,800	470,500	346,000	112,400
Saskatchewan	1941	437,674	803,471	943,711	330,034
	1951	339,000	898,000	607,000	236,200
Alberta	1941	363,626	978,504	1,705,528	674,918
	1951	292,400	1,190,000	1,038,000	416,600
British Columbia	1941	92,489	232,967	78,188	125,931
	1951	96,000	254,000	65,000	103,000

[1] Cows and heifers 2 years old and over kept mainly for milk purposes.
[2] All other cattle and calves.
[3] Sheep and lambs.

NOTE: The 1941 figures are from the 1941 census. The 1951 figures are estimates derived from the June 1, 1951 sample survey of live stock on farms.

The October 1, 1945 census of live stock in Newfoundland reported 14,455 milk cows and heifers; 8,489 other cattle; 85,802 sheep; and 11,443 swine.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAIN—EMPLOYEES AT HEAD OF LAKES ENGAGED IN LOADING AND UNLOADING

Mr. Winkler:

1. How many employees at the head of the lakes are engaged in unloading grain cars, and loading vessels?
2. How many of these are in the employment of (a) companies; (b) the government?
3. By years since 1935, how much overtime per man was paid in the rush season?
4. What has been the wage rate and overtime rate since 1935?
5. When were these men so engaged organized into a union?

ASSISTANCE TO OTHER COUNTRIES—QUANTITY AND VALUE OF VARIOUS COMMODITIES

Mr. Argue:

What was the quantity and value, in each month, of wheat, other grains, livestock, agricultural machinery, industrial machinery and any other commodities made available to (a) each country under the Colombo plan, since its inception; (b) any other country, by way of economic assistance, during the past eighteen months?

IMMIGRATION—ENTRIES DURING 1951—ORIGIN

Mr. Churchill:

1. How many immigrants have entered Canada since January 1, 1951?
2. From what countries have they come?
3. What is their racial origin?

LEASES ON BLOOD INDIAN RESERVATION

Mr. Shaw:

1. How many white farmers are now leaseholders on the Blood Indian reservation?
2. What is the name and address of each leaseholder, and upon what date did he acquire his lease?
3. Under what terms and conditions was each lease awarded, and what is the duration of each lease?
4. What method is employed in determining who shall be granted leases on the said reservation?

RENTS FOR GOVERNMENT ACCOMMODATION IN CHARLOTTETOWN, P.E.I.

Mr. MacLean (Queens):

1. What is the total of all rents paid by the federal government for accommodation in the city of Charlottetown from March 31, 1945, until March 31, 1951?
2. To what landlords were these rents paid?
3. What was the amount paid to each?

RENTAL OF PREMISES FROM MAURICE POLLACK, QUEBEC CITY

Mr. Courtemanche:

1. Has any department or crown company rented premises in Quebec city, from Maurice Pollack of that city?
2. If so, what premises were so rented, and upon what terms?

[Mr. McIlraith.]

PURCHASES FROM WAR ASSETS AND CROWN ASSETS DISPOSAL CORPORATIONS BY VARIOUS COMPANIES—CONTRACTS

Mr. Courtemanche:

1. Did any of the following companies, namely (a) Maurice Pollack Realty Company Limited, 59 St. Joseph, Quebec; (b) Maurice Pollack Limited, 75 St. Joseph, Quebec; (c) Pollack's Limitee Inc.; (d) Master Craft Uniform Company Reg'd., 59 St. Joseph, Quebec; (e) Pollack & Dorman; (f) Rifka Inc., 51 St. Jean, Quebec, purchase materials from War Assets Corporation or Crown Assets Disposal Corporation since 1945?
2. If so, which of the said companies, what were the materials purchased in each case and by what department or crown company were the respective materials turned over to War Assets Corporation or Crown Assets Disposal Corporation?
3. Have any of the above mentioned companies obtained any contracts from any department or crown company since March 31, 1949?
4. If so, from what departments and/or crown corporations, and what were the amounts in each case?

DEPARTMENT OF NATIONAL DEFENCE—APPOINTMENTS AND RECLASSIFICATIONS, ETC.

Mr. Wright:

1. Since April 1, 1951, have any new positions been created or old positions reclassified in the office of the deputy minister, Department of National Defence? If so, which of these positions were filled (a) by advertising or open competition through the civil service commission; (b) by promotion of civil servants within the Department of National Defence; (c) by other means?
2. Since April 1, 1951, have any members of the navy, army and air force been seconded to the office of the deputy minister, Department of National Defence, to fill the positions mentioned in question 1, or any other positions? If so, what are (a) the names and ranks of these persons; (b) the period of their secondment; (c) the length of their military service, and did they serve overseas in world war I or world war II?
3. Since April 1, 1951, have any civilian positions in the office of the deputy minister, Department of National Defence, been filled as the result of an open civil service commission competition?
4. If so (a) what are the names of the successful applicant appointed to each position; (b) the length of their military service and did they serve overseas in world war I or world war II; (c) are they or will they be contributing to the civil service superannuation fund on the basis of 12 per cent of their starting salary in respect of the period of their military service under paragraph 5A (1) of the Civil Service Superannuation Act?

MOTIONS FOR PAPERS

BEDFORD BASIN NAVAL MAGAZINES—REPORT BY MR. P. A. WHELEN

Mr. Diefenbaker:

For a copy of a report made by Mr. P. A. Whelen, during the years 1945 and 1946, on pay and productive hours at Bedford naval magazine, Nova Scotia.

POSTAL SERVICE—RATES OF PAY AND WORKING CONDITIONS

Mr. Knowles:

For a copy of all correspondence exchanged between organizations representing postal employees and the Postmaster General and/or officials of the

Post Office Department, dated since January 1, 1951, having to do with collective bargaining rights, the forty-hour week and any other matters affecting rates of pay and/or working conditions.

NEWFOUNDLAND

R.C.A.F. TRANSPORT ON SPECIAL FLIGHT FROM ST. JOHN'S TO GANDER

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister, of which I have given notice. I should like to know what representations were made by the premier of Newfoundland as a result of which instructions were given for an R.C.A.F. plane to make a special flight from St. John's to Gander last Thursday night with a German national on board and to pick up another German national at Gander who was arriving by a Sabena plane from Germany that night. I raise this question because according to press reports this was part of the general political activity which has been taking place down there recently. I am asking what representations were made which resulted in this plane being made available.

Right Hon. L. S. St. Laurent (Prime Minister): I thank the leader of the opposition for sending notice of his question to my office so that I could have the matter looked into and get whatever information was available. On Thursday evening the premier of Newfoundland telephoned my office and asked if an R.C.A.F. plane could fly a government official—not a politician; that was his statement—from St. John's to Gander that evening. He said that the matter was urgent and that no other means of transport were available.

The matter was brought to my attention and I said that I could not give any order for any such flight but that it was the general policy of the government to meet reasonable requests from provincial governments when it was possible for us to do so. I suggested that they try to get in touch with St. John's to find out more about it and I especially warned them to make sure that it had nothing to do with the election that was in progress down there.

I understand that the deputy minister of national defence tried to get through to St. John's by telephone, but after several attempts he found that it would be several hours before he could do that. He communicated this information to my office and it was brought to my attention. I said, "Mr. Smallwood told us in his first message that he had been in touch with the officer commanding the air force down there and perhaps that officer knows what this is about; perhaps you could let him know that we do not want to refuse to do something which may be important—I do not know—but perhaps you might tell him what is the policy of the government in such circumstances. If you cannot get an answer from him, let him take the responsibility of deciding what would be proper in line with government policy". I said that I did not want to do that as Prime Minister, that there was an Acting Minister of National Defence. I said, "You can tell the acting minister what my views are without their being instructions from me, and determine with him what you had better do about it". I understand that, after discussing it with the deputy minister, the acting minister saw that that kind of message went to the officer commanding the R.C.A.F.

Mr. Coldwell: Who is the Acting Minister of National Defence?

Mr. St. Laurent: The Minister of Veterans Affairs (Mr. Lapointe). I understand the flight was made. I do not know whether there was a German national on the inward or on the outward flight. We will inquire as to how the officer commanding the air force down there attempted to carry out this general policy to be of service to provincial governments but to be careful not to take part in any political controversies.

Mr. Drew: Since the Prime Minister has indicated that he will be getting further information I would point out that the definite, undisputed facts, as set out in the press reports which have appeared, are that this plane went to meet a Sabena aircraft arriving from Germany that night and that on that plane was a Dr. Sennewald, who has become a figure in the political campaign under way in Newfoundland; that on the plane going to meet him was a German by the name of Brown Wogan; and that he went to meet this man for purposes which were quite apparent. I should like to know why a special plane should have been made available.

Mr. St. Laurent: All I know is that the policy of the government of Newfoundland, whether it be proper or improper, has been to try to bring industries from overseas to be established in Newfoundland. Mr. Smallwood did tell me about some of his projects and I hope they will be successful. I shall make further inquiries and endeavour to see, on the one hand, that we do not refuse to do reasonable things for provincial governments, but also that we do not comply with requests that might be regarded as unreasonable.

Inquiries of the Ministry

KOREA

REPORTED ARRANGEMENTS FOR A CEASE-FIRE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Can the Prime Minister give the house any information regarding the cease-fire agreement which, according to the latest British United Press dispatches, has been reached in Korea? Will this welcome news mean that as far as the United Nations—Canada being a member—are concerned, the fighting will cease? The dispatch is a little obscure. I would quote it as follows:

> In the meantime it is believed that while officially the war will continue during the thirty-day period, it actually will die down.

In view of the interest of many Canadians, some with sons overseas, can the Prime Minister tell us what Canada's position is regarding this cease-fire?

Right Hon. L. S. St. Laurent (Prime Minister): I am sorry that I cannot give the hon. member any better information than I gave my wife when I went home for lunch. I did not hear the newscast over the radio as she did. She was quite firm in her belief that the fighting had ceased. As I had no official information I had to tell her that my understanding was that they were to agree upon where the line would be drawn, and if they could within thirty days settle the other matters in dispute; all that before the cease-fire order took place. I assume, if they are well on the way to agreement, the fighting might be less active in the meantime, and I would hope that that would be the case. I shall give the house the information just as soon as we can get it from the headquarters of the United Nations.

Mr. Coldwell: After hearing the broadcast I thought that perhaps the Prime Minister might know more about the matter.

Mr. St. Laurent: We are endeavouring to get accurate information from the United Nations headquarters as to what it really means and I shall communicate that information to the house just as soon as it is obtained.

GRAIN

RESULTS OF PLEBISCITE ON MARKETING OF OATS AND BARLEY

On the orders of the day:

Mr. J. S. Sinnott (Springfield): I should like to ask the Minister of Trade and Commerce a question, of which I have given notice. Can he give the house information as to how many voted for and against the marketing of oats and barley through the Canadian wheat board in the plebiscite held in Manitoba, on Saturday, November 24?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The department has no official information regarding the results. After receiving the notice I asked for such information as could be obtained at that time. I understand the question asked was: Are you in favour of the present system of marketing oats and barley through the Canadian wheat board? The unofficial figures are as follows: 30,622 voted yes and 3,797 voted no.

Mr. Bryce: Will the government, following the result of Saturday's coarse grain plebiscite in Manitoba, and having in mind the recommendation of the pools, give consideration to discontinuing the use of the Winnipeg grain exchange in making sales, and to placing flax and rye under the wheat board?

Mr. Howe: The methods used in marketing oats and barley are methods that commend themselves to the wheat board which is responsible for that operation. No consideration has been given to placing the marketing of flax and rye under the wheat board.

EXTERNAL AFFAIRS

ITALY—PO RIVER FLOOD—QUESTION AS TO ASSISTANCE

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I have a question which I should like to direct to the Secretary of State for External Affairs, but as he is not here I will direct it to the Prime Minister. Has the government received an appeal from any Italian sources or agencies asking for assistance for the people in the stricken areas of the Po river where disastrous floods have rendered almost 200,000 people homeless and caused property damage of hundreds of millions of dollars? If the government has received an appeal, will the Prime Minister state whether any help is being extended to these people?

Right Hon. L. S. St. Laurent (Prime Minister): The short answer to both questions is no, but I do not think I should leave it at that. I think I should inform the house that the Secretary of State for External Affairs as chairman of the North Atlantic council has sent the following message to the prime minister of Italy, Signor de Gasperi:

> I am sure that I speak for all NATO governments in expressing to you our warm sympathy and deep concern for the trials and hardships which the people in northern Italy are suffering from the disastrous floods. Italy's partners in NATO will, I know, wish to co-operate by whatever means may be possible in giving help and assistance to meet this tragic emergency.

I know that the means by which some assistance, either direct or indirect, could be made available to supplement the rescue operations which are being assisted by the United States and United Kingdom forces are being actively explored. The United States and the United Kingdom had armed forces stationed quite close by and they were able to be of very substantial assistance in this disaster. As soon as more details are available as to what is urgently needed—I have heard something to the effect that it is blankets and medical supplies—we will all be in a better position to determine what could or should be done.

NATIONAL CAPITAL PLAN

INQUIRY AS TO ERECTION OF STADIUM IN OTTAWA

On the orders of the day:

Mr. J. T. Richard (Ottawa East): In taking this opportunity to congratulate the Ottawa Rough Riders—

Mr. Speaker: Order.

Mr. Richard (Ottawa East): —I should like to ask a question.

Mr. Speaker: Order. With respect to the question of the recent football championship game, I should say that the hon. member for Ottawa West telephoned my office and asked me if it would be in order for him to raise the question today. I told him that it was unanimously decided by the house at the last session not to bring up these matters.

Mr. Richard (Ottawa East): That is why I did not get up exclusively for that purpose, but to ask a question of the Minister of Public Works. I should like to ask him if it is the intention of the government to follow the recommendations of the Greber plan at an early date to co-operate in the erection of a stadium in Ottawa so that future Grey cup games between Ottawa and the west can be played in the capital city?

Hon. Alphonse Fournier (Minister of Public Works): Really I have not given much thought to this question. I was elated when I learned that the Ottawa Rough Riders had won. I will submit the hon. member's question to my colleagues of the cabinet and when they agree on some project I will let the house know.

Inquiries of the Ministry

FINANCE

INQUIRY AS TO WITHDRAWAL OF BANK OF CANADA SUPPORT FROM GOVERNMENT BOND PRICES

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct a question to the parliamentary assistant to the Minister of Finance, having already given him notice of it. Will he confirm or deny the following statement:

> Big news of the week was the Bank of Canada temporarily withdrawing its support from government bond prices.

This statement appeared in the *Financial Post* of November 24.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): I thank the hon. member for giving me notice. I got the *Financial Post* and searched through it. On page 4 I found a little story headed, "Government Bond Prices Hold After Sharp Drop". The main part of the story is a repetition of the statement I made last week in answer to the hon. member for Kamloops. I cannot see where that is the big news of the week, even by the *Financial Post's* standards. The second point is that I have nothing to add to the statement I made on government policy last week. I would point out, however, that this very story in the *Financial Post* does say that bonds of comparable issues of both the United Kingdom and the United States have fallen more over the same period. Neither of these two governments follows a policy of bond support either.

Mr. Macdonnell (Greenwood): If I might make a comment it would be in the words of a former distinguished member of my party, that we were given a lot of words but no answer.

WHEAT

STORAGE FACILITIES AT CHURCHILL—REQUEST FOR ENLARGEMENT

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): I should like to reply to a question asked on Friday by the hon. member for Saskatoon. He inquired as to whether representations had been made concerning the expanding of storage facilities for grain at Churchill. I received a letter from the interprovincial farmers union council asking that the grain storage facilities at Churchill be doubled. While consideration will still be given to other parts of the letter, I should tell the hon. member that because of the

shortness of the season at Churchill, and also on account of the very limited amount of incoming cargo, I do not think it would be advisable to expand the facilities at that point.

PUBLIC ACCOUNTS

PRINTING OF AUDITOR GENERAL'S REPORT AND PUBLIC ACCOUNTS

On the orders of the day:

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Last week the leader of the opposition raised a point concerning the printing of the public accounts. At that time I gave some reasons why the printing was delayed and said that I thought it unlikely they would be published for another two weeks. Since that time the comptroller general of the treasury has prepared a statement outlining the difficulties which arise in the publication of this very large book. I do not think there is any point in my giving the further reasons but he does say that it has been found possible now to turn out a special printing of the appendix, the report of the Auditor General, and that will be in the hands of all hon. members on Wednesday before the public accounts committee sits.

INQUIRY FOR RETURN

BUTTER AND MARGARINE—REGULATIONS REGARDING MANUFACTURE—INGREDIENTS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I do not want to ask a new question, but on November 7 I placed a question on the order paper which was passed as an order for return on November 12. It is a very important question, and reads as follows:

1. What are the regulations regarding the manuture of (a) butter; (b) margarine, for human consumption?

2. What amount of each kind of oil or other ingredient is used in the manufacture of a pound of margarine?

No return has as yet been tabled, and I should like to bring this matter to the attention of the government so that the return will be made soon.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, November 21, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Quelch.

Mr. E. G. Hansell (Macleod): Mr. Speaker, it is not very usual for the good brethren to walk out before I announce my text, but under the circumstances, so much time having been spent today in the asking and answering of questions on the orders of the day, perhaps it is excusable. In this debate on the speech from the throne I wish to emphasize one or two points that have been mentioned during the course of the debate, but which so far have not received any satisfactory reply from the government side of the house.

The first matter is that, in spite of the government's action announced during the last session to curb the rising cost of living and put a brake on inflation, the cost of living still continues to rise. I was interested in listening to the speech by the parliamentary assistant to the Minister of Finance (Mr. Sinclair) some weeks ago. The hon. member is, in my opinion, a rather capable individual and carries his burden quite well. During the course of his speech I could not help thinking that he was extremely apologetic when attempting to explain to the house how inflation was brought about, why the cost of living continues to rise, and the fact that there was not a great deal that the government could do about it. I fancy he spoke officially for the government, and I took his speech as a series of excuses.

In such a predicament as we find ourselves in today, with the average or lower income people finding it so difficult to meet the cost of living, we want something more than apologies and excuses. It is not good enough for members on the government side of the house to argue that the situation cannot be helped, that it is a world-wide situation, or attempting to compare Canada with some other countries and pleading that our situation here is not perhaps as bad as it is in some countries. It is not good enough for them to excuse the situation by saying it is a result of the war which left us with few consumer goods.

The attitude that things just happen is not the right attitude to take. Might I suggest to the government that nothing just happens. Surely, they have heard of that great law of cause and effect. This law is just as true in respect of the actions of the government, whose actions must be based on their policy, as it is in other fields. Nothing just happens. There is a reason for anything happening, and the reason that we have inflation today,

the reason that there is a steady incline in the cost of living, is to be found in the monetary policy that has been pursued by the government and their predecessors. Excuses are not enough. We must ask them to determine what financial policy they are desirous of pursuing in order to check inflation and the rise in the cost of living.

During the course of the debate one or two speakers on this side of the house mentioned the fact that people who cash bonds today do not receive the full value of those bonds. I believe it was the leader of the C.C.F., the hon. member for Rosetown-Biggar (Mr. Coldwell), who gave an illustration of a young woman who found it necessary to cash some of her bonds, and who did not receive full value for them. I believe the excuse was that perhaps she cashed them before they came due, and therefore had to take a discount. This illustration was used on more than one occasion. The Minister of Finance (Mr. Abbott) immediately replied that during the war years when we were floating those bond issues he promised that they would always be worth one hundred cents on the dollar. Well, that is a fine statement to make, and I suppose the minister is technically correct when he says that when those bonds mature the holder will be paid one hundred cents on the dollar. The more important point has been overlooked, and that is the fact that when the bonds are cashed, even though one might receive one hundred cents on the dollar, the one hundred cents only goes half as far in purchasing power as it did when the bonds were bought. We cannot lose sight of that point. The reason our dollar is only valued at half what it was several years ago is the result of government policy, and the government cannot pass the buck by saying these things just happen.

As a further point may I say, and this is another point which no one mentioned, perhaps owing to the fact hon. members are not too well informed on the matter, that when people cash their bonds today with the chartered banks, the chartered banks make a new issue of money in payment for those bonds. The result is that there is that much more money going out into circulation. This point would be well worth considering. As I mentioned in previous sessions, even when the government put on their sale of these bonds they encouraged the white-collar worker and others to take these bonds out on the instalment plan or even to borrow money from the banks to buy them. That in itself aggravated the inflationary trend; because every time anyone borrowed money from the banks in order to buy these bonds, the banks expanded the financial credit of this country. More money came into existence, with perhaps less consumer goods. That is something which perhaps has not been any too prominently mentioned here, but it is something that is extremely important in the general effect it has on purchasing power today.

Then again there are people who put their savings in the bank, put money away for a rainy day, or contributed some of their income to pay for industrial pensions. What has happened? Years have gone by. They now find it necessary to withdraw some of their savings or they are in receipt of industrial pensions for which they have already paid. What do we find? The money they receive today is worth only half as much as it was worth when they saved it or when they put it into their pension schemes. The result is that they can buy only half as much consumer goods. That is the problem we have to face today, and it is one that has resulted from the government's attitude. They have persisted in following a policy for whose framework they are also responsible.

I am now going to give an illustration. Perhaps hon. members did not read this in the papers the other day because it was not headlined. A certain aged lady went down to the bank here on Sparks street and withdrew $1,000 of her savings which she had put in the bank many years ago. As she was going out of the bank, by way of the front door, near the sidewalk a burly sort of a chap brushed against her. She felt something in her side and the man said: Come through; this is a stick-up. The lady fumbled around with her handbag and the thug—I will call him that—began to get a bit nervous; he poked his hand in the lady's bag and pulled out $500 and began to escape. The lady of course put up a little nervous cry, and it was not long until the news was spread abroad that there had been a stick-up. Of course the mayor of this city—or shall I say the mayoress—heard about it. She immediately contacted the chief of police and demanded that they get that man. She was surely going to have her man. No man is going to stick up defenceless women as long as I am mayor of this city, she said. So the police put a cordon around a few blocks, and the man was caught.

As I say, hon. members did not see this incident headlined in the paper. When the mask was torn from this man's face, to their surprise the police found that the face underneath the mask was none other than that of Douglas Charles Abbott, the finance minister of Canada. Of course the police were greatly surprised. How could they arrest such a distinguished gentleman? When they

asked him to produce his gun he said: You surely do not think I did that with a gun. The police asked: What did you do it with? I do not know what he produced, but what he actually did it with was the government's financial policy. That is exactly what happened.

That is an allegory. I am quite certain that if the incident I have described actually happened, the people would be up in arms. Yet in effect that is what has happened. That is what happens to any person who goes to the bank today and takes out $1,000 of the hard-earned savings he has put in there over the years. When he comes to spend it on the production of this country with all its wealth, he finds that he has only $500. I could pursue that little allegory a bit further. Perhaps I shall.

Mr. Byrne: It might be worth while if it had some sense to it.

Mr. Hansell: I will give you some sense if you do not think that is sense. Somebody asked the old lady how it felt to be held up. She said: I did not feel it a bit. He was such a nice man, and he had such a nice, shiny gun. In fact, I told him, she said, that I would be back in a week or two for another thousand, and if he was around I would not mind much if he did the same thing again. The hon. member for Kootenay East (Mr. Byrne) suggested that I might illustrate the point with some sense. He might say: The last part of your illustration surely is nonsense. But let me tell him that it is no more nonsense than it will be for a bunch of chumps to turn around in the next election and vote Liberal. It will take a little while for that statement's meaning to dawn on the mind of my hon. friend; but eventually he will get it.

An hon. Member: It is very deep.

Mr. Hansell: The fact of the matter is this. I say again that the result of the financial policy that has been pursued by the present government is the situation we have today, and they cannot escape responsibility.

We need to speed up the wheels of our vast productive system. We need to put on the market more consumer goods. I know, of course, what the government will say to that suggestion. They will say: But you must recognize the fact that a great deal of our productive machinery today is being put into the production of non-consumer goods; the world is on the edge of a volcano; we have joined the North Atlantic Treaty Organization and we are spending money on our defences. I realize that fact. We all realize it. We all like to be as sensible as we can be. But let me ask one question. Suppose, for instance, we should be greatly surprised one of these days to find that we had come into an era of peace, when the confidence and trust between nations should suddenly be restored and there were no danger of an international armed conflict. I should like to know how the government would handle the situation if the wheels of our productive system should suddenly be changed over to the production of consumer goods. Would they shy away from a possible problem of unemployment? In what way would they change the framework of their monetary system in order to cope with a situation of that kind? That is something they have never answered, and something that men in public life should know. It is something that the people of Canada should know. It is something I will dare them to answer. Their financial policy would not be able to take care of a situation of that kind. I declare on that score that the government has absolutely no answer.

The other matter that I should like to refer to is the subamendment, which in reality is now under discussion. It was moved by the hon. member for Acadia (Mr. Quelch)—I think it was well moved and well timed. I will read it for the record:

> That the amendment be amended by adding thereto the following words:
>
> Furthermore, we regret that Your Excellency's advisers have failed to compensate the recipients of war veterans allowance for the increase in the cost of living by an appropriate increase in the amount of the allowance.

Previous to this I had intended to speak on the Legion's brief respecting an increase in their pensions. The other day we were delighted to hear the Minister of Veterans Affairs (Mr. Lapointe) announce that there would be an increase in war veterans' pensions. This has been mentioned before; it will bear mentioning again. Why did the government decide to increase the veterans' pensions, when no mention was made of it in the speech from the throne a few weeks ago? Could it be that pressure was brought to bear upon them to do it at this particular time, or could it be that an election was in the offing and they wanted to tell the people how much they thought of them? If the latter statement is correct, it may conceivably be found that they desired to assist Liberal Walter Thomson in his election. At least they got their answer, if they were willing to gamble millions of dollars for political purposes.

Mr. Cardiff: They assisted him out.

Mr. Hansell: However, I am saying this—and I want to be fair. We have reason to be pleased with the announcement. Our only regret is—and this has been mentioned before—that the government were not able, or did not see themselves able, to give similar

increases in war veterans allowances. We all know that today there are veterans who, as far as their financial status is concerned, are perhaps in a worse plight than many war veterans on pensions. There are older veterans, widows and perhaps mothers and dependents who have no way in the world of making a living, and yet no thought was given to them. It is all very well for the government to say that a special committee is to be set up next session to look into this matter, to discover whether or not rates under the war veterans allowance are to remain the same or how much they should be increased. To me that is a very lame excuse, because all the government needs to do is to apply the same logic, the same reasoning and the same actuarial studies to the war veterans allowance as they did to the increase in pensions. Unquestionably they increased the war veterans pensions because of the higher cost of living. Well, the higher cost of living applies equally to those who are in receipt of war veterans allowances as to pensioners. What I am saying is that we are very sadly disappointed that these increases have not been announced, and that there will be no increase in the war veterans allowances until some time next year and perhaps late in the year. I say that because we all know that committee work takes time. Perhaps the next session will not be called until next February and the committee will not be set up until the end of that month and it may take a couple of months after that to report. That is the situation. However, I am very pleased that the hon. member for Acadia put the motion as he did, because it will give no hon. member in the house any excuse, when the vote comes, for not laying right on the line what his attitude is in respect to this matter.

I was very interested the other day in the line of debate pursued by the hon. member for Lake Centre (Mr. Diefenbaker). The hon. member was talking on this particular amendment and showing how each and every hon. member would now be in a position to register his vote, one way or the other. The Minister of National Health and Welfare (Mr. Martin) objected as follows, as appears at page 1244 of *Hansard*:

> Does my hon. friend suggest that when any member of this house comes to register his vote, he does not use that privilege in accordance with his best judgment in the circumstances?

Of course that is a trick question. We all know that, from experience of the past in this house. Some of us have been sitting here a long time. We all know from past experience in the house that it is one thing to say something out on the hustings, but it is another thing to do something about it in this house when it comes to registering your vote. We all know what happens. I shall now finish the quotation from *Hansard*. When the Minister of National Health and Welfare interjected that question the hon. member for Lake Centre went on:

> Mr. Speaker, I am not going to become involved in any argument such as that. I am asking the question of the minister again, and giving him the opportunity to answer. Will he, speaking for the government, say that a free vote will be given on this amendment? That is the question.

The Minister of National Health and Welfare has never answered that question from that day to this. Let me pursue the matter a little further. We all know that just preceding the present session a circular letter was sent out from the Legion headquarters to all their organizations throughout the country, asking them to get in touch with their members and put before them the case for increased pensions and increased war veterans allowances. They came to me. I spoke before the local organizations of the Legion, and I suppose other hon. members did. What did members of this house tell these local bodies comprising the Legions throughout this country? What did the members tell them? Well, I know what they told them; but it does not take half an eye or half a brain to discern what they were told—"Well, of course, we will do all we can for the pensioners; of course we will do all we can for those who are on war veterans allowances; of course we will." Yet, it is one thing to tell them something in your own home town or in your own constituency, when they come to you. But, Mr. Speaker, we are here and now given an opportunity that will take us much further than vain words, vain speeches—vain words, words, words!

Now comes the opportunity for each and every member in the house to say whether they stand behind our veterans in respect of war veterans allowances, or whether their loyalty is to their political party, first. That is the issue, and it will be the issue in this vote. There is no getting away from that.

There is one other point I should like to discuss. When anyone raises a fuss along these lines, when one suggests that some hon. members are more concerned about keeping the government in office than in expressing and pursuing vigorously the wishes of their people, some government member rises in his place and says, "Well, under our parliamentary system we have a system of responsible government."

I remember that happened a year or two ago when, speaking about our parliamentary system, I compared it with the American system, as well as one or two others. When I was urging that some changes be made so as to bring into existence a more effective

democracy, wherein members at all times, in their speeches and in their votes, would reflect the desires of their constituents, the Minister of National Defence (Mr. Claxton) rose and answered on behalf of the government. While he is Minister of National Defence, he is also an expert on constitutional law. At that time he said, in effect, "Under our system we have responsible government." Well, that is a nice expression; it sounds good. But, I ask: Responsible to whom? That is the question.

The only answer that can be given in a democracy is that they are responsible to the people of the nation. The only place where the people can make their wants and wishes known is on the floor of the House of Commons. That is why each and every member has been elected. We are the people's mouths, whether in criticism or in praise. And when it comes to voicing our opinion and registering our votes, then I declare that this subamendment gives each and every member an opportunity to say unreservedly where they stand in respect of war veterans allowances. Are they in favour of them or are they not?

I know the government will say that in this amendment there is an element of want of confidence, and that members supporting the government cannot be expected to vote for such an amendment. All right; the challenge goes out once again, when I say that the acceptance or rejection of this vote does not mean necessarily support or rejection of a vote of want of confidence. Let some minister rise in his place and say, "On this issue we will permit all members supporting the government to have a free vote, so that we may be able to determine exactly what the people of Canada want. Then, as their servants, we will pursue the policy of giving effect to their wishes".

That is the point I wanted to make. My leader the hon. member for Peace River (Mr. Low) whispers to me now that if the government will bring down an announcement to the effect that at this session, right now, war veterans allowances will be increased as pensions have been—and if that is done before we leave here, in two or three weeks—we shall be happy to withdraw the amendment.

I have one further point to make—and I fear my speech is reaching a sort of anti-climax. However, I cannot take my seat without referring to the apparent plight of the farmers in the west, brought about by the late harvest and the freak seasons we have had throughout the year. We have had rain and snow, and abundant crops, but much of it lies under the snow or is too wet to thresh. Let me add my voice to what has been said by many representatives from western Canada, who have said that the government should do something to alleviate this condition. I have taken a trip to the west since the beginning of the session, and while there I had the opportunity to talk with a number of people. I travelled through a considerable portion of Alberta and had an opportunity to discover what the situation was. The condition may have improved somewhat since that time, because I understand the weather has been more favourable. Nevertheless a tremendous amount of crop is still under the snow.

I was pleased to hear the Minister of Trade and Commerce (Mr. Howe) announce a few days ago that the final wheat payment would be made. Perhaps that will help the farmers to some degree, so that they will have a little bit of that jingling stuff in their pockets. Nevertheless they will continue to find themselves in financial difficulties.

I do not wish to repeat suggestions which have been made before. I understand they have been made by the government of Alberta as well as by that of Saskatchewan. They have been made in the house by a number of speakers, when they have asked for the granting of loans on wheat in the bins, or even some sort of assistance in respect of crops that may eventually be harvested, but are not harvested at this time.

I suggest the government should do something about this serious matter.

Let me point out once again, as this group has done year after year, that the government's financial policy is bound within the confines of a framework it has vigorously supported and defended through the years. Almost everything the government has done, almost all financial legislation it has brought down, almost all international agreements touching upon the matter of finance and money, has been designed by the government so as to solidify and make permanent the financial framework from which it refuses to budge, and refuses to change. I am saying once again that just as long as they refuse to change, but pursue the same policies, there can be no improvement. Let it be understood that the same policies that get you into difficulty will never get you out. Once again I say that there will be no permanent solution of the many problems that confront us in the matter of finance, currency, cost of living and what have you until they change some of their basic and fundamental principles which today are false.

(Translation):

Mr. L. D. Crestohl (Cartier): Mr. Speaker, this afternoon I am merely following the policy I have adopted of opening all my

speeches in this house with a few words in French.

Mr. Speaker, I do this in order to stress the bilingual character of our country. I feel very gratified in fulfilling this duty and I propose to continue doing so whenever the opportunity presents itself.

(Text):

Mr. Speaker, it is six weeks since His Excellency the Governor General delivered the speech from the throne. Following this we heard excellent speeches from the mover (Mr. Cauchon) and the seconder (Mr. Simmons) of the motion to adopt the address and lest their content and form of delivery be obscured by the intervening proceedings, I desire, Mr. Speaker, even at this late stage, to join my colleagues in congratulating the hon. member for Beauharnois and the hon. member for Yukon-Mackenzie River upon the high standard they have set in the splendid addresses which they delivered.

I should like to address myself, Mr. Speaker, principally to one matter referred to in the speech from the throne. I realize that referring to the Old Age Security Act at this stage may at first glance appear somewhat *post facto,* but I want to assure you, Mr. Speaker, that even though the legislation has been adopted by the house, I think my comments will nevertheless be timely, because I desire to deal with the spirit of the legislation and relate it to its administrative prospects when it comes into force on January 1 next.

I was impressed, as was no doubt every hon. member in this house and every person in Canada, by the gentle description which the Minister of National Health and Welfare (Mr. Martin) gave to the men and women of Canada who are affected by the act when he referred to them as our senior citizens. That is a much kindlier reference and a much more thoughtful one than the term "old age pensioner" which is commonly used. For, in truth, Mr. Speaker, they are our elder citizens and should justly be known and treated as such.

Advanced years is one status which we all seek to attain and desire despite the apprehension as to what the fates may have in store for us. It is a strange phenomenon that, despite the fears which human beings hold with respect to old age, we all strive to grow older. We often shrink from the thought that we are actually growing older and yet we constantly exploit all the sciences to preserve ourselves to be able to do so. In speaking of this apprehension which we have about old age I am moved to quote from the liturgy of my faith very briefly. There is a supplicating prayer which reads:

"Cast us not off in our old age, and when our strength has ebbed do not forsake us."

That is a solemn prayer which people of all faiths utter in silence and in hope as the years move on. It is my conviction—in fact it is self-evident—that the adoption of this bill is an answer to that prayer. No one knows where he will be and under what circumstances any one of us may find himself at the age of seventy. Canada can now say with pride that it has not cast off its aged and has not forsaken them when their strength has ebbed.

With respect to the natural desire we all have to grow older, I am reminded of a little anecdote which is told about an ageing mother who at eighty years of age, because of her advanced years, was indisposed. Her considerate son sent for a physician to see her. The doctor with his charming bedside manner, and realizing her age, gently said to her, "You know, of course, madam, that time marches on and you, like all the rest of us, are not getting any younger". To which the little lady snapped back, "Young man, I don't expect you to help me get younger; you have been summoned here to help me get older, so get on with your job".

That, of course, typifies the desire of each one of us to attain that magnificent status to which years have no limit, but in which the years alone make us more dependent upon others. The problem of treating elder citizens has since time immemorial been a matter of grave concern to heads of governments and its solution has assumed various forms throughout the ages. I do not want to present a historic survey of how different peoples have treated their aged. I do not have to cite the Spartan approach or the Hitler system of doing away with human beings who could not bear arms because of old age or physical infirmity, but I do want to refer to one authority, no doubt the oldest authority, an authority which is indisputable and which sets into proper focus the lofty level of regard and the consideration which should be shown to our elder citizens, all of which is in consonance with the Canadian way of life.

Like one of my illustrious predecessors from the constituency of Cartier, the late Mr. S. W. Jacobs, who frequently quoted from the scriptures on the floor of this house, I too would like to quote from the ten commandments to which the hon. member for Temiscouata (Mr. Pouliot) referred the other night and which are universally acknowledged to be the first code of ethics given to man. The

fifth commandment teaches us a very subtle lesson on how we should treat our elders. It reads:

"Honour thy father and thy mother; that thy days may be long upon the land which the Lord thy God giveth thee."

That is the enjoinder of this commandment. I am not a clergyman, but I am the son of a clergyman and therefore take a little poetic liberty which, together with the immunity provided by this house, may enable me to encroach upon what may be interpreted as a sermonette.

The commandment which I have just quoted is the only one that carries with it a promise of reward to those who will observe it. "Honour thy father and thy mother: that thy days may be long upon the land which the Lord thy God giveth thee". My neighbour to my left, the hon. member for Grand Falls-White Bay (Mr. Ashbourne), reminds me that in Sunday school class this commandment was called the first commandment with a promise. Biblical scholars have many interpretations for this commandment. The one I should like to emphasize is a version given to me by a friend of mine, Mr. Barney Aaron, a recognized scholar of biblical lore and literature in Montreal, who points out that this commandment means that you should honour not only your own father and mother, but also everyone else's father and mother. These in reality are the fathers and the mothers of the nation and if you honour them, then the reward is promised. Your own days will be long, you too will grow old to be a father or a mother. You too will be honoured in your own old age and in your own country where you will have honoured your own elders.

I should like to add another interpretation. This commandment speaks not only to the individual, but also to the nation as a whole. The words, "that thy days may be long upon the land", teach us the following lesson: That nation which lives in a land that honours its elders, builds a strong moral fibre, will continue to live in happiness upon its soil, will be free from the conquest that results from moral disintegration from within, and will be strong to repel assault from without.

By the adoption of this act, Mr. Speaker, the parliament of Canada, the people of Canada, give public and universal expression of their observance of the fifth commandment. This epoch-making law elevates every Canadian, and is in stride with the social justice program of this government and as the minister rightly declared, it places our country in the forefront of the nations of the entire world in the field of progressive legislation for the welfare of its people, and bespeaks for our country a lofty moral future.

It is so typical and characteristic of the Minister of National Health and Welfare (Mr. Martin) to have treated this subject with the tenderness with which he did. He is eminently suited by temperament, by upbringing and by character to sense fully the consideration with which such a delicate matter should be handled. This was beautifully illustrated by a photograph which appeared in the press two weeks ago showing the minister with all his attention riveted on his mother in the midst of a happy family group. I have the photograph from the Ottawa *Citizen* of Wednesday, November 7, 1951. It bears the title, "Happy Family Reunion", and the reference under the picture reads:

"Paying one of his rare visits to his home town, Pembroke, Health Minister Paul Martin took time off to attend the Pembroke Rotary club dinner in company with his elderly mother."

I hope the minister will forgive me the personal reference, but I am moved to mention it by the symbolic coincidence that he should appear in the genuine role of a doting son to a greying mother on the same day that he was piloting through parliament a piece of legislation spelling out the love and affection of all Canadian children for all Canadian fathers and mothers. This sentimental touch epitomizes the profound and genuine understanding of the duties which the younger generation should constantly have for all fathers and mothers who, as I previously stated, constitute the fathers and the mothers of the nation.

I should like now to make one or two observations with respect to the application of the act in practice. The theory of paying a pension universally to rich and poor alike carries with it a dignity commensurate with our desire to preserve for our senior citizens the self-respect to which they are entitled by age alone, if by nothing else. It eliminates the stigma, in my judgment, of relief or charity and clothes it with the stature of a reward well deserved and well earned for many years of service. I am anxious that this sense of dignity be preserved on the administrative level where, if we are not careful, there is a danger that the entire philosophy of the act may slip from its elevation. I should like the administration of this act to be as generous and as considerate as it deserves to be. I am not unmindful of the great caution that must be exercised in the spending of public funds, but this is one expenditure that I should like to see made with a greater emphasis on the payment than on the caution.

The officials in charge should be men with charity in their hearts and a kindness in their souls. These humane qualifications will

be required particularly to interpret sympathetically the documents and evidence submitted in support of applications which they will be called upon to consider. I am, for example, concerned with the fact that many of the applicants may not be in possession of birth certificates, particularly those applicants who were born in countries whose records were destroyed in the European holocaust, or records which are in the possession of countries where they are not accessible. I was happy to hear the minister constantly repeat on the floor of the house that every reasonable form of evidence as to age will be accepted. This is the humane approach, and I have every confidence that he will cause to penetrate to his administrative staff the same qualities in dealing with the applicants.

In speaking of administrative staff, I should like to say that we have indeed a most efficient and devoted civil service who hold and well merit the confidence of the people of Canada. They seem, however, to have classified themselves in two categories, the civil servant with an affirmative approach and the civil servant with a negative approach. I should like to illustrate something which is perhaps well known to almost every member of the house. John Citizen walks into the office of an official who promptly fixes in his mind that this man is looking for something and the official says to himself, "Now, what does he want?" He listens carefully and promptly turns up the regulation to indicate why the request cannot be granted. That is the negative minded civil servant.

Then there is the affirmative minded civil servant who, as he sees John Citizen walking into his office, allows himself the charitable thought, "There goes John Citizen, he must have a problem, he requires some assistance; I am his obedient servant, let me see what I can do to help him." He listens to the problem as did the other gentleman and he too reaches out for the book of regulations, but he finds something in the act to offer some measure of relief, if not totally at least partially. He speaks to John Citizen with a smile on his face and offers to help him as much as he is able to. That is the affirmative minded civil servant. It is my prayerful hope, therefore, that only civil servants who are affirmative minded will be charged with the administration of this act.

In all humility I should like to say that, because it was my privilege for many years to serve as the honorary secretary of the Montreal Hebrew old people's sheltering home, I acquired some little knowledge of the problems which people of advanced years present, and I therefore appeal to those who will administrate the act to regard the documents which they see before them not as cold type, not just as another file or another file number, but to understand the messages which these documents are intended to convey, and above all to remember that behind each document is at least 70 years of human life, loyalty, devotion and no doubt much suffering, which now pleads for gentle treatment at the hands of civil servants and pleads for a peaceful old age. If a country has the government it deserves, a minister too has the staff he deserves. This humane minister cannot, therefore, be surrounded by other than a most sympathetic administrative staff, and we can have every confidence that this act will be dealt with in the spirit of the minister himself. The people of Canada can ask for nothing better or more reassuring.

I should like nevertheless, Mr. Speaker, to say a word about the means test which has been eliminated at age 70 but retained between the ages of 65 and 69. I, for one, do not approve the dual classification allowing a pension at age 65 with a means test and at age 70 without a means test. There is a discomforting paradox in the situation. If a person requires a pension at age 65 and files his application, he should not be humbled by a means test any more than a person who files his application at age 70. There will be thousands of affluent Canadians of age 70 and over who will not file applications. On the other hand, there are thousands who at age 65 will not file applications, notwithstanding their need for assistance, because they want to avoid being humbled and embarrassed by the means test. These two classes would well balance each other. I am certain, Mr. Speaker, that Canadians who are called upon to meet the cost of this new legislation will have no objection to extending themselves a little further if need be to eliminate this discomforting procedure known as the means test and enable the government to pay this universal pension without a means test to everyone who applies for it at age 65 and over. The present legislation is a good beginning in that direction, and I am hopeful that in the not too distant future the government in its wisdom will be able to eliminate the means test altogether.

The Minister of National Health and Welfare has frankly stated during the debate that time and experience may suggest improvements. At the risk of being redundant I want to ask the minister again to review section 5 of the act which deals with the suspension of the pension to anyone who leaves Canada for a certain period. At age 70 and over people become quite frail, and frequently they are alone. They may have

to leave Canada for short or long periods to preserve their health or in order to reside with a child outside of Canada rather than live with strangers or alone. If the denial of the monthly pension is to produce real hardship, the minister, I know, will have another look at this section of the act with a view to eliminating such a possibility.

I should like to draw to his attention also that a satisfactory explanation to justify the suspension of these payments has not been made. If I recall correctly, the only explanation given was that those who leave Canada will not be here to spend their money, while those who remain in Canada continue to make their contribution by paying sales tax on the purchases which they make in Canada. The mathematics of this explanation, in my opinion, does not justify the conclusion reached. Let us have a look at it in dollars and cents. The $40 per month which is not spent in Canada by the person who leaves the country deprives Canada of the 2 per cent sales tax on that amount which he would spend if he resided in Canada, so the country is deprived of 80 cents per month. To preserve this 80 cents we deprive a needy person of the $40 per month if he is obliged by circumstances to leave the country. I do not think this feature is in line with the lofty purpose of the act, and I have every confidence that the minister will review this section in the light of the generous spirit of the entire legislation.

May I also, Mr. Speaker, say a word about the title of the bill, despite the fact that I raised that question at the time the bill was considered. I raise it once more in the hope that upon reflection the minister may see no harm but much good in recommending a change in the title. It is true that a rose by any other name smells just as sweet, but in considering legislation of a special and delicate character due regard should be had for each clause, for each phrase, including the title. The minister has given this legislation an atmosphere of some reverence. In order to maintain this appreciation I feel that the language "Old Age Security"—which suggests a pension—in the title of the bill itself is an undesirable feature. There is nothing disagreeable in the word "pension" because one can refer with pride to the title veterans pension, which is an award made to the heroes of our country for services rendered. On the other hand the words "old age security" or old age pension seem to carry a subtle connotation associated with philanthropy or relief. It is precisely this reflection that I should like to see modified. I am, therefore, hopeful that, in a general review of the bill as it advances in practice, the minister will conclude that some such title as "An act for the benefit of senior Canadians" would better suit this particular legislation and that he will, in consequence, recommend a change in the title.

In conclusion, Mr. Speaker, I should like to say a word on another matter which is causing some concern in many quarters. About two weeks ago the newspapers reported that the first German ambassador since the war has been duly accredited to Canada, and that complete embassy and consular services are to be established here. As I said a moment ago there is considerable apprehension surrounding this fact, because many of the German consular officials recently accredited to the various countries are suspected of being men indoctrinated with the nazi and totalitarian philosophy, who were formerly connected with the nazi party in Germany. I quote from a report datelined Washington, D.C., November 9, 1951, which appeared in the *Canadian Jewish Chronicle*, published at Montreal:

> The "new" German diplomatic corps is preparing to expand its operations by opening a considerable number of consulates in the United States and throughout the world. Some of the men it will send out formerly worked with American anti-Semites to promote nazi propaganda in this country. In January, 1951, the 252 members of the German diplomatic service included a total of 151 who served under von Ribbentrop, 130 of them members of the nazi party.

I therefore urge upon the government that these gentlemen, and all other immigrants to Canada from Germany, should be most carefully screened and examined. The greatest caution should be taken to safeguard this country from the influences which may penetrate from the fascist right as well as from the communistic left. We want neither of these evil influences to impede or interfere with the development of our country on the democratic foundations upon which it stands, and on which it has flourished and will continue to flourish, making it one of the greatest democracies in the world.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the subject now before the house is the subamendment which was moved on November 7 by the hon. member for Acadia (Mr. Quelch), asking for an increase in the amount of the war veterans allowance to compensate for the increase in the cost of living. I intend to devote my remarks to that subject and to speak as strongly as I can in support of that proposition. Before I do so, however, I may say that it seems a bit of a coincidence that I should get the floor immediately after the speech that has just been made by the hon. member for Cartier (Mr. Crestohl). If I had thought that it would be in order on any

subsequent occasion this session to speak on the subject of old age pensions, I certainly would not have passed up the opportunity to do so. However, I want to say that I agree with a number of statements the hon. member has made. In particular I was glad to hear him support the proposition that the means test should be removed at age 65. I earnestly hope that it will not be long until this parliament takes that step. I agree with him also in his contention that once a person goes on the old age pension, particularly under our new legislation, he should be entitled to draw that pension even if he finds it necessary to move to some warmer climate than that which we experience in this country, which is a bit severe for some of our older people.

While I agree with statements of that nature which were made by the hon. member for Cartier, I must say that I cannot go along with him in his complete acceptance of our old age pension legislation as evidence that this parliament has wholly implemented the fifth commandment or in his suggestion that by passing the Old Age Security Act Canada has made it clear that she has not forsaken her aged citizens. When we ask our older people, particularly those who have nothing else, to get along on $40 a month—even when we have removed the means test and even when we call it old age security instead of an old age pension—I want to say that we really are forsaking a great many of our older people. As I pointed out in the other debates which are now closed, more than 200,000 Canadians 70 years of age and over are already drawing the full $40 a month; and for them there will be no increase whatsoever as a result of the legislation which we passed at this session. Though we welcome most enthusiastically the steps that have been taken by this parliament, for they are signs of progress, may I point out that there are further steps still to be taken; and they should be taken now, not after many of the older people, whom we are called upon by the fifth commandment to honour, have passed on because we have not given them enough to live on.

I agree with the hon. member for Cartier, and I welcome his support of the proposal that the means test should be removed at age 65. I hope that he will support some of the rest of us in our contention that the amount of the pension should be increased to a figure of at least $60 a month, which is a minimum under today's conditions.

As I indicated when I rose to my feet, the subject now before the house is the sub-amendment that was moved on November 7 by the hon. member for Acadia, asking that something be done about the war veterans allowance, and in particular asking that something be done at this session of parliament. This is indeed a session which has had to deal with many important issues. The previous speaker and I have just had something to say about one of those important issues, namely old age security. The question of inflation and the high cost of living has been much before parliament at this session. Similarly there are other matters of great importance before hon. members, but I suggest that one of the hottest subjects is this question of the war veterans allowance. As hon. members know, before we came to Ottawa for the session which began on October 9, the Legion and other veterans organizations were in touch with practically all members of parliament, asking us to make sure that their representations to the government were given consideration at this session. I felt, as I am sure most hon. members did, that their requests were most reasonable. There was nothing exaggerated in what they requested. They asked for an increase in the amount of the disability pension commensurate with the increase in the cost of living since those rates were last determined. They also asked for an increase in the amount of the war veterans allowance. Their proposal in that connection was that the maximum for a single veteran, which is now $40.41 a month, should be increased to $50 a month; and that the allowance for a married veteran, which is now $70.83 a month, should be increased to $100 a month.

I repeat what I said a moment ago. There is certainly nothing exaggerated about a request of that kind, namely that our so-called burnt-out pensioners should be given an allowance of $50 a month if single, or $100 a month if married. In my view the Legion and other veterans organizations would have been quite justified in asking for larger amounts than those which were included in their representations.

As hon. members know, in the speech from the throne there was nothing to indicate that anything was going to be done about either of those requests. The result was that from all sides of the house a great deal was said about these matters right from the very day that parliament opened. In due course that discussion brought from the government, on October 19, an announcement by the Minister of Veterans Affairs (Mr. Lapointe). That announcement is to be found at page 197 of *Hansard*, to the effect that the government had decided to do something at this session about the disability pension. As hon. members know, we have since had a further announcement as to the amounts of the

increases to be provided, and we have also had the introduction of the bill. I think it is only fair to say that members in all parts of the house are indeed pleased with that announcement as to the disability pension, and with the terms and provisions of the bill as far as it goes. But in that same announcement the minister stated that, as to the War Veterans Allowance Act, the government's decision was to deal with that at the next session of parliament. By way of spelling out its plan, the government said through the Minister of Veterans Affairs that at the next session of parliament a special committee would be set up to go into that act, with particular reference to the relationship between it and the old age legislation which has since been passed by this house.

I am sure the government is not at all surprised that members of the house generally —particularly those on the opposition side, although I know there are many on the government side who feel the same way about it —having had the experience of pressure for those two changes being met by something being done about the disability pension, are keeping up the demand that the Legion's request for increases in the war veterans allowance be met at this session. It simply is not good enough to propose that the matter be considered by a committee at the next session of parliament. Even the suggestion that any changes proposed as a result of that committee's work could be made retroactive to January 1 does not solve the problem which our veterans on the burnt-out pension now face; and, so far as the government announcement is concerned, it is a problem that will continue for many cold months. Since that announcement on October 19 there have been several occasions when hon. members have put questions to the Minister of Veterans Affairs in the hope that the pressure being put on by hon. members generally might have resulted in the government changing its position. I need not read them, but I have notes on my desk here with reference to questions of mine on Monday, November 12, as recorded at page 905 of *Hansard*, and also on Friday, November 16, as recorded at page 1088 of *Hansard*. On both those occasions, and on any other occasions when the direct question has been put to the minister as to whether or not anything is going to be done at this session with reference to veterans allowances, the reply has been that government policy had been announced. That simply referred to the statement on October 19 to the effect that a committee would be set up at the next session of parliament. Mr. Speaker, the reason I devote my remarks at this time to this question, as I am sure has been the reason other hon. members in this debate have risen to speak in support of the sub-amendment before the house, is that I feel the position taken by the government is not satisfactory, and we still hope that by continuing to bring this matter to the attention of the government, by continuing to impress upon them how the veterans of this country and the veterans organizations feel, we may yet persuade them to take action at this session.

The minister's announcement on October 19 implied that one of the main problems to be dealt with was that of working out a proper relationship between the war veterans allowance and the Old Age Security Act and the Old Age Assistance Act. I agree that is a problem. As a matter of fact I drew it to the attention of the minister last spring, and in June I urged that he study it during the summer and be ready to bring in the necessary amendments at this fall session. The government has found it possible to bring in many other items for us to deal with at this session, but this important matter has been laid over. Entirely apart from the problem of relating the War Veterans Allowance Act to the old age legislation is the plain fact which the government cannot get around that the amount of allowance is not enough for a Canadian veteran to live on. The sums of $40.41 a month for a single veteran and $70.83 a month for a married veteran are a disgrace to this country, and whatever may be done in the future about relating this legislation to the other I submit that provision should be made at this session of parliament for an increase in those two figures I have just quoted.

I remind the government that that was just as much a part of the request of the Canadian Legion as was the request for a 33-1/3 per cent increase in the disability pension. As to the attitude of the Legion on this whole question, may I suggest to the government that I have on my desk copies of several letters which have been sent to the Minister of Veterans Affairs. Perhaps I should not take time to read them all, but I do want to refer to some of them. The first one I pick up was addressed to the Minister of Veterans Affairs on November 7, 1951, and is signed by Ed S. Pratt, secretary, Winnipeg (Manitoba No. 1) Branch, Canadian Legion, B.E.S.L. The letter reads in part as follows:

Dear Mr. Lapointe:

The members of Winnipeg (Manitoba No. 1) branch of the Canadian Legion were very pleased to learn from the daily press that you announced in the House of Commons that something would be done by the government during the present session of parliament to increase the basic rate of the veterans disability pension. We hope that the government will eventually see fit to implement the

suggestion advocated by the Canadian Legion in their latest brief presented before your parliamentary committee.

We regret that no mention has been made by the government of any action to be taken to raise the allowance paid to the recipients of war veterans allowance.

Mr. Pratt goes on to say that there are 900 members of this particular branch, and he indicates that many of those members are seriously affected by the rising cost of living and face difficulty in getting along on the small amount of the war veterans allowance. In the last sentence he says:

In our opinion a single recipient of war veterans allowance should not receive less than $50 a month and a married recipient not less than $100 a month.

The next one I pick up is from Mr. J. H. Larkin, secretary of the St. James Branch No. 4 of the Canadian Legion at Winnipeg. It is dated November 6, 1951, and is addressed to the Minister of Veterans Affairs. It reads:

Dear Sir:

The St. James branch No. 4 of the Canadian Legion B.E.S.L. has heard with pleasure that the government has decided to increase immediately the basic rates of the veterans disability pension. We trust that the increase will be not less than the 33⅓ per cent minimum advocated by our dominion executive.

While dealing with the disability pension is a step in the right direction, this branch would stress most strongly that the same conditions which make this increase so necessary and so urgent, apply equally to the provisions of the War Veterans Allowance Act. A delay in adjustment of allowances until next year will produce great additional suffering.

Mr. Larkin goes on to conclude his letter by expressing the hope that the government will act on this matter at this session. I emphasize the tone of both these letters—and I have others—to the effect that the local Legions, the men back home, really appreciate the action that has been taken with respect to disability pensions, but they are amazed that parallel action has not been announced at this session with respect to the war veterans allowance.

Another letter I have is dated Winnipeg, October 31, 1951 and signed by J. McNeil, president of the Weston and Brooklands branch of the Canadian Legion. It is addressed to the Minister of Veterans Affairs and reads in part as follows:

Dear Sir:

We are very pleased to note that the present session of parliament intends to bring down legislation increasing the basic rate of ex-service men's disability pension, and we are anticipating this increase will conform to the request of the Canadian Legion.

It is with regret, though, that we also note there is no intention to increase the war veterans allowance at this same session, but rather to wait until the 1952 session, at which a veterans committee would be set up to consider its relation to the old age legislation.

This branch of the Canadian Legion are seriously concerned about the financial status of the so-called "burnt-out" pensioners and request that your department do something at the present session to alleviate their condition.

I have other letters, which I will not take time to read now, from the Winnipeg tuberculosis veterans section, from Mr. Cairns, secretary-treasurer of the Manitoba and northwestern Ontario command, from Mr. P. Johnson, chairman, pensions and rehabilitation committee of the imperial division at Winnipeg. I have others, one from the Fort Rouge branch and so on. All through these letters runs the same thought, namely that the local branches of the Legion, the men back home, who are close to the people affected, are grateful for the decision taken by the government to increase the disability pension at this session, but they cannot understand why the same action is not being taken with respect to war veterans allowance. After all, the men on war veterans allowance are just as seriously affected, if not more so, by the increase in the cost of living. In most cases the amount they have to live on is less. Surely, if the government responds to the case for the one pension to be increased, the case is equally strong that the war veterans allowance should be increased, and that the increase should be made at this session of parliament.

Now, Mr. Speaker, I would like to take a few minutes of the time at my disposal to indicate how matters work out with respect to some specific cases, particularly at this time when certain pensions are being increased. For example, the previous speaker had a good deal to say—in fact he devoted the whole of his speech to the subject—with respect to old age pensions and the removal of the means test. It is also the case that the disability pension rates are being increased. There are rumours around that there might be some change in the pension plan of the Canadian National Railways. So it is that I know quite a number of veterans who, hearing of these various changes, have dared to hope that their position might be improved. Yet I will show, by reference to cases about which I shall speak in a moment, that there are men who served this country, particularly in world war I, for whom as matters now stand there is no possibility of any improvement in their position, despite the fact that all these pension arrangements are being revised at the present time.

The first case I pick up is that of a veteran living in Brooklands, Manitoba, which is a village just on the outskirts of Winnipeg. I would ask hon. members to follow the facts in this case, so far as the dollars and cents are concerned. This is a world war I veteran who at the present time has a disability

pension of 30 per cent which, of course, brings in $37.50 a month. He is a married man. He has no other source of income, so he is on war veterans allowance. Because of the ceiling he receives the maximum permitted, $54.16 a month. Those two items taken together, namely his $37.50 disability pension and his veterans allowance of $54.16, come to $91.66 a month. That is the ceiling for a burnt-out pensioner. Both this man and his wife are over 70 years of age. There is now a new old age pension payable without a means test. What can they expect, because of that? Can they expect that their position will be improved to the extent of $80 a month? After all, many other people in this country, where both the man and wife are over 70 years of age, will have their positions actually improved to that extent. Persons on superannuation from private corporations or from the government service, including retired judges, senators and many other people who are 70 years and over, will have their actual cash positions improved by $80 a month.

This veteran and his wife can qualify for the old age pension. But when they get that $80 as a pension, and it is ascertained by the war veterans allowance board that they are also getting $37.50, as a veteran's disability pension—and this of course would add up to $117.50, which is in excess of the ceiling allowed by the War Veterans Allowance Act—the whole of the $54.16 war veterans allowance will be cancelled. It is true that this veteran's position will be slightly better than it is today. But it will not be better to the extent of the $80 a month that will be received by the average Canadian man and wife over 70 years of age. I submit it is grossly unfair to the veterans of this country to discriminate against them in that way.

It so happens that there is to be an increase in disability pensions. This means that under the new rates the $37.50 will become $51 a month. If he were not 70 years of age—and at this point I am speaking hypothetically, because there will be other cases like it—the fact that the $37.50 becomes $51 a month would result in a reduction of his war veterans allowance to $40.66, so that he would stay at the ceiling of $91.66 a month.

So I say that in view of the fact that, whatever their positions, most Canadians 70 years of age and over will receive the pension and have an actual increase in income to that extent, it is not fair that the one group that finds it gets an increase, but not the full value of the increase, should be the group we know as our burnt-out pensioners.

The next case with which I wish to deal is that of a veteran living in Transcona, Manitoba. This veteran is the recipient of a Canadian National Railways pension amounting to $63.91 a month. He has nothing else, so he is drawing a war veterans allowance of $27.75. In other words his Canadian National pension and his war veterans allowance bring him, as a married man, to the ceiling of $91.66 a month. He is over 70 years of age, and his wife is 64. He can qualify for the $40 old age pension, without the means test, but his wife cannot qualify for anything. But when he gets the $40 old age pension without the means test, and the war veterans allowance board discovers that between that and his Canadian National pension he is getting a total of $103.91 a month, hon. members know what will happen to his war veterans allowance of $27.75. It will be taken away from him entirely. So on the one hand he gets $40 a month from the old age pension legislation passed at this session and, on the other, he loses $27.75 from the war veterans allowance, not only because the means test is still in the War Veterans Allowance Act but because nothing has been done at this session to moderate or to change it in any way.

I submit that when these things come into effect, and Canadians are actually up against the fact that, unlike any others, this group will have the experience of being deprived of the war veterans allowance either in whole or in part, if it is to receive the old age pension, the people of Canada will be deeply annoyed, and rightly so.

These are cases which demonstrate not only that there should be an increase in the amount of the war veterans allowance, but something should be done at this session to make sure that these veterans do not have what they are given on the one hand taken away on the other.

The next case I should like to place on record is particularly tragic, when one realizes how it works out. I now refer to a married veteran living in Vancouver. He, too, is a Canadian National Railways pensioner; in fact, he comes under all three of these provisions at the present time. He is drawing the railway pension of $34.25 a month, he has an army disability pension at the rate of 5 per cent which, because he is married, works out at $6.25 a month, and he has a war veterans allowance of $51.16 a month. He gets only $51.16 because of the ceiling. Those three amounts added together mean that he is getting $91.66 a month.

This veteran has written to me expressing the thought that he had dared to hope that he had a pretty good chance of having his position improved. In fact he believed he had several chances. He is drawing the Canadian National pension, and there have

been rumours that there would be an increase or a change in that pension plan. He might benefit as a result of that change, or at least he had hoped he would. There has been the report that there was going to be an increase in the disability pension, and those reports proved to be correct, thanks to the pressure put on the government. So he dared to hope that as a result his total income of $91.66 might be increased. Then, of course, there is the old age pension of $40 a month, without the means test. This man is over 70 years of age. All told, he felt he could not lose. Perhaps he would not get them all, but he believed he had three possibilities for increases, and dared to hope that he would therefore have something more than the $91.66 a month on which to live.

What is the story? We have been trying to find out what will happen to the Canadian National Railways pensions, but have not yet been able to get any information. It does not seem, however, that anything will be done for those who are already retired. I regard that as most unfortunate. I think the government should see to it that the Canadian National Railways deals with the problem and the plight of that group of men. At the moment, at any rate, there is nothing for this veteran on that account.

What about the disability pension? There is going to be an increase in that. This man's pension is only 5 per cent, or $6.25, and under the new rates that will go up to $8.50 per month. His increase will be only $2.25. This veteran studied it out and discovered that while he will get an increase of $2.25 in his disability pension, that will immediately come off his war veterans allowance because he must stay under the ceiling of $91.66 per month. So there was nothing for him there. He gets $2.25 a month extra as of right, but he gets $2.25 less in the other cheque and his position remains exactly the same as it was, $91.66 per month.

He had not yet exhausted all the possibilities. What about the old age pension? While his wife is under 70 years of age, he is over 70 and can qualify for the $40 per month. Look at what happens when he gets $40 per month old age security. The war veterans allowance people immediately say, "There is still the $91.66 ceiling so far as war veterans allowance is concerned." So it adds up this way: His C.N.R. pension will be $34.25 a month; his disability pension under the new rate will be $8.50 per month; his old age security will be $40 per month. That makes a total of $82.75. The result will be that his war veterans allowance will be decreased from $51.16 to $8.91, because he must still remain under the ceiling of $91.66. It reminds me of the comic entitled "Sad Sack". Here is a man full of hope that there might be an increase in the amount he receives and yet he finds that he loses out on all counts, on the C.N.R. change, on the disability pension increase and on the old age security. Why? All because of the ceiling under the War Veterans Allowance Act which says that he cannot have more than $91.66 a month.

For the government to leave cases like that over for a committee to deal with at the next session of parliament is not a responsible way to deal with such matters. I would like to read the letter, but I am not sure that all the thoughts therein are strictly parliamentary. But he tells me of his memory of the days in July, 1918, when he and others had their backs to the wall in France and were visited by the then Prime Minister of this country, who assured them on behalf of the people of Canada that all Canada was behind them to the last dollar and that nothing would be too good for them when they got back to this land. Now at his advanced age he is confronted with this situation.

I gave considerable thought to this case, as I do to all these cases. I racked my brain to see if I could think of any way under existing legislation by which this man might have another opportunity. After giving it some thought I realized that there was a possible solution. This man's wife is between 65 and 70 years of age. That means that with the old age pension given to him as of right, he being over 70 years of age, if he stays on the war veterans allowance he is limited to $91.66 a month. But if he forgoes the war veterans allowance his wife can apply for old age assistance, for the ceiling under the act passed last June is $100 a month for two people, where one is on old age assistance. In other words it is possible for this man to forgo his war veterans allowance, which would be only $8.91 per month, and thus permit his wife to collect $17.25 in the way of old age assistance, improving their position by the difference between $91.66 per month and $100 per month.

I ask hon. members to recall the many conversations they have had with these older veterans of world war I. Hon. members generally know that veterans prefer being on war veterans allowance because even though it has a means test they feel that it is something they have earned because of their service. They would rather be on war veterans allowance than on a means test old age pension. Here is a case where a veteran loses out on all these counts. The only opportunity he has to improve his position is

to forgo the war veterans allowance so his wife may apply for as much of the means test old age pension as she can get. It must be remembered that one-half of the $17.25 she would get would be paid by the provincial government. In other words we are asking veterans like this to look to the province rather than to the federal government which has responsibility for them.

I have just picked out a few of these cases which are being sent in to me all the time, but they certainly demonstrate that this is a problem which should not be left over until next session. If it has to be dealt with in committee I submit that it is more important that it should be dealt with at this session than some of the committee work now being carried out. Some of the matters being dealt with at this session, even some of those which I favour, could wait. I am thinking of the changes being made to the Annuities Act, which I support. The need to have those changes dovetail with the old age security legislation is not as great as the need to deal at this session with the whole problem of war veterans allowances.

I have submitted thus far individual cases of veterans, both single and married. May I put in a word as well for the widows who qualify under the War Veterans Allowance Act. I just do not see how we can regard ourselves as doing our job at this session if we leave them in the position where the most they can get is $40.41 per month. I welcome the change being made in the Pension Act whereby the widow of a veteran who had 50 per cent disability or more will get $100 per month instead of $75. However, it seems to me that the spread between $100 and $40.41 per month is too great. On the one hand we have a veteran with a disability of 50 per cent or more who dies and whose widow goes on a pension of $100 per month as of right—I think she is entitled to it—and then we have the other veteran, a comrade, with a disability of only 45 per cent who dies and whose widow gets nothing as of right. If she can meet the means test and other conditions under the War Veterans Allowance Act the most she can get is $40.41 per month.

I realize the principle that is involved, but surely something should be done at this session to narrow that spread between $100 in the one case and $40.41 in the other. I welcome the announcement that widows who qualify for a full pension under the Pension Act will have it increased from $75 to $100 per month, but I urge the government to do something at this session to raise that other figure. I have here a case of a widow in Winnipeg who was married in 1906 and whose husband served in both wars. Most of his active service was in world war I, but he served in both wars. She was married to him through both of those periods, but because he had a disability of considerably less than 50 per cent the best she can get is the burnt-out pension under the War Veterans Allowance Act, which is only $40.41 a month.

I am simply pointing out that there is too big a spread between the $100 paid under the Pension Act—I approve of it—and the $40.41 which is the most a widow in these circumstances is able to get. Furthermore, a widow can receive that only if she is 55 years of age or over and is able to satisfy the terms of the means test set out in the War Veterans Allowance Act.

I feel that this whole question is just as important as was the old age pension question, just as important as is the question of amending the disability pension provisions. I think it is a lot more important than the question of overhauling the Annuities Act. I think it is more important than some other matters that are being considered by various committees sitting at the present time. I urge most strongly that this matter be dealt with by the government at this session of parliament. I am satisfied that others, as this debate goes on, will continue to make the same plea I am making today, and we are still hoping that it is not falling on deaf ears. I know that so far the government seem satisfied with what they have done. They think it is enough to deal with the Pension Act at this session, but so far as the veterans affected and the local branches of the Canadian Legion are concerned, they want action on this matter at this session of parliament.

I was quite interested in the interjections the Minister of National Health and Welfare (Mr. Martin) made the other day when the hon. member for Lake Centre (Mr. Diefenbaker) was speaking on the question of making changes at this session in the War Veterans Allowance Act. At page 1243 of *Hansard* for November 21 the minister made an interjection when the hon. member was asking that the Liberal members be given freedom to vote on the subamendment as they might wish. The interjection was as follows:

> Mr. Martin: There is nothing but freedom in the ranks of the government members.

A little later, at page 1244, when the hon. member for Lake Centre was pursuing this matter, the Minister of National Health and Welfare made a few more interjections and one of them was a question already mentioned today by the hon. member for Macleod (Mr. Hansell). It reads as follows:

> Mr. Martin: Does my hon. friend suggest that when any member of this house comes to register his vote, he does not use that privilege in accordance with his best judgment in the circumstances?

If the Minister of National Health and Welfare, speaking for himself or the government, meant what he said in those interjections it means that government supporters in this house are free to vote on this question according to their best judgment. I suggest that the minister has, if I may use language that we all well understand, put Liberal members on the spot. He says they are free to vote according to their best judgment. The proposition before them, when the vote is eventually taken, is that something should be done to increase the amount of the war veterans allowance, and I hope they will exercise their best judgment, which surely calls for a vote for the subamendment. May I remind them and also the Minister of National Health and Welfare that the last time a similar suggestion was made was on August 27, 1946, as may be found at page 5431 of *Hansard* for that year. On that occasion an amendment was before the house having to do with a subsidy with respect to milk, and the debate had waxed quite warm. The result was that the then minister of reconstruction and supply, now the Minister of Trade and Commerce (Mr. Howe), rose and said to the house:

I suggest that the vote should be a free expression regardless of party.

Then there were two or three other exchanges and questions back and forth until it was finally made clear just before the vote was taken that it was to be a free vote, and that members on the government side were permitted to vote as they wished. The result was that the amendment, which was moved from this corner of the house, was carried. Members expressed their best judgment on the issue then before the house. Either the Minister of National Health and Welfare means the same thing the Minister of Trade and Commerce meant on August 27, 1946 or he does not. If he does not mean the same thing, of course it does not mean anything; but if he meant the same thing, if he meant that members are free to exercise their best judgment, I suggest there is only one way that best judgment can be exercised, and that is by voting for the subamendment for an increase in the amount of the war veterans allowance. I hope all members will vote that way and that we shall get action on this matter at this session.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, as is usual and I think proper in this debate there has been discussion of a wide variety of subjects, but the primary question before the house is the one dealt with by the last speaker, the subamendment moved by the hon. member for Acadia (Mr. Quelch). It reads as follows:

Furthermore we regret that Your Excellency's advisers have failed to compensate the recipients of war veterans allowance for the increase in the cost of living by an appropriate increase in the amount of the allowance.

I support the subamendment wholeheartedly, and I think a wide variety of reasons can be put forward for everyone in the house to support it. As the last speaker has indicated, I hope that a large number of those who support the government will find themselves able to vote for the amendment to the amendment. I think it is a cause for shame to the government and to Canada that the scale of war veterans allowance payments was not raised long ago. War veterans allowance recipients are amongst those who have been hurt most by the rising cost of living during the last year or so. In my own province I know they are worse off than the recipients of the present old age pension. Old age pensioners in the province of Alberta receive $50 a month, while recipients of war veterans allowance receive $40 and a few odd cents a month. They are nearly $10 worse off than the old age pensioners. The same thing is true in a number of other provinces.

It seems to me that the dominion government has been shirking its responsibility in that it has allowed these veterans, who have no other source of income, to remain in a worse position than the old age pensioners under the combined pensions paid to them by the dominion and the provinces. Like the last member who spoke, I have had a large number of letters on this subject. I am not going to take the time of the house to read any of them. Many are extremely pitiful. They presented cases which made one really wonder what one could write in reply to people with the stories of privation and hardship indicated in their letters. In many cases war veterans allowance recipients are in greater need of an increase in the scale of payment than disability pensioners. On the whole I think the disability pensioners have not been as badly off as the war veterans allowance recipients.

However, as a result of pressure on the part of veterans organizations and the pressure of public opinion, crystallized to quite an extent by representations made in the house by a large number of members, the government have seen fit to introduce legislation at this session to increase the basic rate of disability pension. I fail to understand why they did not introduce legislation at the same time to increase the rate of war veterans allowance. It could have been done very readily, and

it should have been done. What they have announced is that a committee will be set up at the next session to study the matter. One thing I think the committee and the government should have very much in mind is that whatever increase is granted to war veterans allowance recipients should be made retroactive at least to the present time, and in any event to the same time the increase in disability pensions becomes effective.

One of the difficult matters with regard to war veterans allowance is that the amount of income permitted to be earned or secured in any other way is not nearly sufficient. The total amount of income allowed a recipient of the war veterans allowance should, without doubt, be raised. Many of these men who find a small job earn more than the allowable amount of extra income. In many cases they do not realize that is so until it is too late; and when the officials of the war veterans allowance board discover this situation they cut off a portion of the war veterans allowance until this extra amount is paid back. When that happens these people get into truly difficult circumstances and find it almost impossible to live. This could be overcome by increasing the total amount of allowable income for the recipients of war veterans allowance. At the moment the ceiling on total income for a single man on war veterans allowance is $610 a year, and for a married man $1,100 a year. In the case of a single man this means that the amount he can earn above the allowance is $125, and in the case of a married man it is $250.

So far as disability pensions are concerned this matter is going to assume even greater importance with the increase in the basic rate of pension. Many drawing small disability pensions are drawing war veterans allowance also. What is going to happen in their case? Unless this allowable limit is raised the increase they receive under their disability pension is going to be deducted from their war veterans allowance cheque, and they are not going to be one cent further ahead. I believe that is something which should be corrected immediately. We still have plenty of time for the government to bring in some provision at this session to make certain that situation will not come to pass.

For several years I have advocated that the total allowable income for the recipients of war veterans allowance should be increased. I feel it should be increased to the level of the income tax exemption. In other words, before the allowance is cut down the single man should have a total income of $1,000, and the married man a total income of $2,000. If he is able, in spite of his disability, to do odd jobs and pick up a few hundred dollars I believe he should be allowed to retain it, particularly in view of the cost of living today. A move such as I have suggested, to raise the total allowable income, would help a great deal to do away with the many complaints every one of us receives from the war veterans allowance recipients. This matter has been dealt with by a large number of speakers, so I do not propose to spend any more time upon it.

There is one other subject I should like to mention, and that is the feed grain and forage situation in western Canada, and in particular in my own province of Alberta where I am familiar with conditions. In Alberta this year more areas were wiped out by hail than in any other year in history. Following that the early onset of winter prevented the grain in many areas from being harvested. The result is that in Alberta there are a considerable number of areas in which either hail or the early onset of winter or a combination of both have prevented any harvesting at all, or perhaps only 5 or 10 per cent. This means that feed grain is now in exceptionally short supply in many portions of southern Alberta. I was in Alberta last week and found that all the elevators in my immediate area south of Calgary had been cleaned out some time ago. There was no feed grain, oats, wheat or barley. People were sending trucks as far north as Edmonton, two hundred miles away, to try to pick up a load of oats or barley so that they could feed their cattle.

The result of this shortage of feed grain in these areas is that a considerable number of people have had to dispose of their stock. I cite my own case as an example because I know it best. I had to reduce my herd of breeding sows by one-half only last week, although in the course of two or three months most of them would have produced young pigs. They had to be taken to market because I could not get sufficient feed to keep them going. This shortage of feed grain is going to result in a serious loss in future production. So far as I can determine the government, through the wheat board, have taken no steps to meet this situation. I believe they should have done so some time ago, but certainly they could arrange now that carloads of feed grain be taken from the areas where those grains exist and shipped into areas where no grain is available. Unless that is done as soon as possible, the sale of breeding stock which is necessary for future production is going to have to continue, and some people are going to have to go out of the livestock business altogether.

There is a somewhat similar situation prevailing so far as forage is concerned, hay and straw. It is very short in some areas. In this

case some co-operative measures need to be adopted by the provincial and dominion departments of agriculture in order to avoid a drop in livestock production during the remaining months. I should like to impress upon the government as strongly as possible the necessity of getting something done in these very urgent matters.

Mr. L. Philippe Picard (Bellechasse): Mr. Speaker, I should like to start my remarks with the customary gesture of congratulating the mover (Mr. Cauchon) and the seconder (Mr. Simmons) of the address. My remarks are all the more sincere in the case of the first, my friend the hon. member for Beauharnois, because I have come to know him, and since his arrival in this house he has contributed handsomely to our debates and the work of the different committees to which he belongs. I read his speech while I was abroad, because I had *Hansard* sent by air mail daily. This might be the reason which will lead me to conclude in a moment that I think this house ought to assume that we all appreciate the speeches of the movers and seconders of the addresses. We should all assume that the governments, whatever party is in power, will choose good men to introduce and second the motion. Once and for all, we should assume that they are good and we should stop spending fifteen minutes or so complimenting them, although they are deserving of it.

I have calculated that the speakers who have taken part in this debate have spent about three hundred minutes, about five hours, in complimenting the mover and the seconder. I believe we should assume that these gentlemen acquit themselves well of the task which has been entrusted to them, and we might discontinue this practice. As I said a moment ago, it may be that I am influenced by the fact that I had to pay to read these speeches. I asked my office in Quebec to send me *Hansard* every day by air mail. The first and second times I received it, I was a bit discouraged to find that there was about $1.25 worth of stamps on the envelope. I do not mean that all of us do not make good speeches or do not contribute to the debates in an eloquent way, but frankly I wondered whether I had received my money's worth. In the meantime I must say, before anybody else attempts to do it, that I do not believe today's *Hansard* will be any better because I took part in the debate or that it will be any more worth the $1.25 in stamps that was on the ones I received while abroad. But I say frankly that I think we would save probably five or six hours or more in our debates if we did away with the practice of congratulating the mover and the seconder of the address. In this case I must state that I was really pleased to see the way the new hon. member for Beauharnois (Mr. Cauchon) behaved. I followed his activities in this house, and I thought his speech was good and up to expectations. The same remark applies to the hon. member for Yukon-Mackenzie River (Mr. Simmons), whom I have not the pleasure of knowing so well, but whose speech also was good.

I do not intend to follow the example of the two previous speakers who dealt mainly with the subamendment. I propose to touch on a few of the items that are mentioned in the speech from the throne, particularly on those referred to by most hon. members since this debate started. One of the most important is of course the high cost of living. That is one of the most serious problems of the day, and it is a world problem. World economists have been at a loss to find a remedy not only in Canada but throughout the world. During the course of my visit abroad, particularly in England, in France and in Germany, I met some gentlemen who were supposed to be acquainted with the problem. Some of them were professors of political economy and of social economy. They see with great anxiety the trend of rising prices throughout the world, especially on the continent. As one of them was pointing out to me, before the war there used to be set rules governing the rising cost of living. We all used to attribute it to inflation. Inflation was described as being caused by a great supply of currency or buying power in the hands of the people and a scarcity of goods, mostly consumer goods. Often it was attributed to laxity in the rules or regulations concerning credit, speculation on a large scale, and so on.

At this time throughout most countries of the world, except possibly in Greece where there was real inflation in the way of too much currency being put on the market, generally it cannot be said—and this is true especially as to Canada—that the government has issued too much currency or has financed its works program through the issuance of new currency. In fact during the war many of us complained that the income taxes were stiff and high because the government had acted wisely in arranging to have at least 50 per cent of the cost of war paid on a day to day basis and the other 50 per cent financed by loans or as an accumulation of debt. While not contesting the wisdom of this policy, some of us complained bitterly when we had to face the period of the year in which we had to pay those taxes. Yet

these taxes were paid cheerfully by the Canadian people in time of war. It cannot be said that too much currency has been put on the market for this purpose or that too much of our war effort was financed by the issuance of new money.

Another cause of inflation that did not exist during the last war was the issuance of currency without relation to productivity. In the present set-up in Canada I do not see that the amount of currency issued is out of proportion to the productivity of the country. Some people have stated that there is much more money available than the proportion of increase in the productivity of the country warranted. Yet there is no lack of consumer goods. Some hon. members even applauded when the parliamentary assistant to the Minister of Finance stated that we had plenty of goods available. That is true. There is a large amount of money in circulation. The people have a lot of money to spend. But there is also a large amount of goods available; so much so that inventories are extremely large. In fact they are probably larger than they have been in a long time; and this situation has gone to the point that some industries have even curtailed their production. That is another cause of inflation—the lack of consumer goods, which is regularly or commonly considered as being a cause of inflation or of rising prices—that we do not find in these present circumstances.

The rise in the cost of living can therefore hardly be attributed to inflation, because we do not see what economists have described as the main signs of coming or actual inflation. Yet prices are rising. But they are not only rising in Canada, as I said a moment ago. It is no consolation to say that prices are rising elsewhere, but I do so to point out that this is a world problem and not just a Canadian problem.

By referring to the speeches that have been made, I have tried to find helpful suggestions. Some people have talked of controls. I myself was at one time inclined to think that controls would be good. It seemed to be a logical conclusion that controls would do good. In these circumstances, when we can determine that the rise in the cost of living is world-wide, I wonder if any controls applied today would bring about a remedy. Some other speakers have pointed out what has happened in countries where controls have been tried. In England and elsewhere controls have been tried, and the cost of living is still rising, going higher and higher.

During wartime controls were accepted; and Canadians behaved better than did the people in most other countries of the world in this regard. But to be effective the controls must be approved and accepted, and the people must co-operate in their application. Could we get that co-operation in time of peace? Controls have been tried in other countries, but they were not effective. During the war controls were tried in the United States, and they did not prove to be easy of application. There is no use trying to apply controls exclusively by force. Our neighbours to the south tried to apply a particular law that was passed with noble intention, but it could not be applied. I refer to the Volstead Act, providing for prohibition. A huge amount of money was spent but it could not be enforced, and it led to gangsterism and many other evils. Can we apply controls in times of peace when we and the people in other countries seem not to be prepared to accept them as gladly as in time of war? I think we must contend that at the moment controls would not meet with popular approval. But people may, at times, be inclined to think, as I was myself, that they might be a remedy. I think they might be a remedy if the causes were local. But if we consider the situation throughout the world, even if we applied controls here I do not think it would remedy the situation at all.

In this regard I was interested to see what was the attitude of the official opposition. Last year I think they approved the idea of controls; this year they limited their approval to a certain category of goods or projects. I have here an extract from the Winnipeg *Free Press* which states:

> In the last session of parliament Mr. Drew voted with the C.C.F. in proposing an open-ended system of controls. In the present session Mr. Drew's first concern was to denounce the same C.C.F. policy and to deny, over and over again, that he favoured anything like a complete system of controls. Where does this strategic retreat leave Mr. Drew today? It leaves him advocating controls only on materials entering the defence program. But this cannot be construed, by the widest latitude, to mean an attack on the cost of living since defence materials do not in general enter into the cost of living.

It can be said the fact that we are going in for war expenditures put more money into the financial stream of the country, and that it might help to prevent inflation by putting controls on war materials rather than general controls. I do not agree with that. When I started to study the question I thought that controls might be a good policy. I have now come to the conclusion, especially after travelling abroad, that under the present general conditions controls would not improve the situation. They may be tried on certain things. It may be true there. They may be tried on food; they may be tried on consumer goods, but will they affect the whole situation? We are governed by the cost

of our imports and by the price offered to us for our exports. These are the two things that regulate the high cost of living and the prices of many commodities.

Some people talk about the farmer getting too high a profit. They try to attribute the rise in the cost of food to the agricultural class. I think that is entirely erroneous. There is one sure thing: these prices cannot be attributed to the excessive net profits of the farmers. Their net incomes are lower today than they were during the war years when most of these products were lower in price. On the other hand that cannot be said of industrial corporations or of financial corporations, where you do not see the same decline in net incomes as you see with respect to the farmers. The same applies to the intermediary, or shall I call him the middleman, the packing industry, those who are slaughtering, packaging and distributing meat and agricultural products, and also the large milling companies. When you see the balance sheets and reports of some of these companies you do not see that their net profit is down in comparison with the net income of the farmers. Yet it can be said that the farmer is not in such a poor condition now. His net income is not quite as high as during the war, but it is still much higher than it was in prewar years. The least that can be said is that he has a more decent kind of living. I am sure nobody here would want him to revert to the net income that he had before the war.

If the condition is looked into fairly no one can suggest sincerely that the high cost of food can be attributed to excessive net profits made by the farmers. Even if they get more they have to pay more for commodities and services, and though they may have a better profit than they had before the war, they do not get as high a profit now as they got during the war. As I said before, the large corporations are maintaining their scale of profits in a better way.

To curb the inflationary effects of too large a supply of money in the hands of the people the government has already tried to apply some remedies. They have limited credit, and now we are flooded every day with representations from automobile distributors and vendors of this and that to the effect that because half the cost has to be paid immediately on purchase and the balance distributed over 12 months, it ruins their business. Yet the function of this provision is to limit the amount of money the people can spend on consumer goods, or to prevent excess purchases by people who cannot pay immediately. The idea is to put our economy in a better position and allow our people to spend only what they earn. There is also a limit put on the write-offs by the big corporations, an increase in the interest rates and an increase in the corporate taxes. All these are measures complying with the traditional advice on what should be done when we are threatened with inflation. These are measures that have been devised long ago by economists. They have not fully succeeded in curbing the inflationary high cost of living, but they are steps in the right direction. In this regard it may be interesting in a short while to see the results of the new policies announced by Finland, which are exactly the opposite of what every economist up to now has advised. They lowered the rate on borrowed money; they facilitated spending. They have increased salaries. In an effort to curb inflation or the high cost of living they have taken exactly the steps which up to now were considered conducive to inflation. It will be interesting to see in a short while whether or not that leads them in the right direction, but it is an entirely new and revolutionary step in so far as conducting financial matters in a conservative way has been considered to be advisable. I saw these people at work during the past summer. They are energetic; they are hard, tough people. They work well. They are keen in what they do. They are not going in for any kind of entertainment as you see it in other countries. They are all working seriously and facing up to their problems. They are building apartments for the working people, something of which my hon. friends say we do not have enough. They have paid off nearly all their war debt to Russia. They are the only country who have paid off their debts of the first war. They are now trying this new step, the result of which should be most interesting to see in a short while.

The problem, Mr. Speaker, is world-wide, and can be coped with only on a world-wide basis and an international plane since, as I said a moment ago, the cost of our imports and what we get for our exports regulate the cost of the different commodities in our country. Only when the nations of the world get together and devise new means can we hope to have an effective tackling of the problem. I do not want to bring any depressing ideas into the debate, but after talking to many people in different countries who are supposed to know about it, nobody seems to be doing much different than we are doing. Everybody is experimenting with this or that system, and the prices go up. The only thing we can envisage in this house is that this government has done its best, and that no constructive, effective criticism has come from the opposition side. They have rightly criticized the increase in the cost of living but no

effective, constructive criticism has come from the other side as to how to remedy it. What has been advocated by them has not been considered by most economists up to now to be the wise thing at this time. It is easy to criticize; it is not so easy to suggest a remedy.

I now want to go on to another item, Mr. Speaker, namely the old age security program and the old age security bill that was passed in this house a short while ago. It extended, shall I say, the scope of our social security program to the point that those from 65 on will be provided for. Those from 65 to 70 will be provided for if they can prove their need. The others will all get it as a matter of right. This point has been criticized by some people even here. It has been said that it would be much better to increase the pension of those who are in need than to give it to everybody. Well, I do not think the people understand the matter thoroughly, because when you give $40 to everybody you must realize that you bring help to a vast number of people who, while they are not entirely destitute, are bordering on destitution and are in need of help. There are a large number of people throughout Canada for whom this $40, when added to the little they have, will mean security. It is also an encouragement, shall I say, to save. We have heard the argument from hon. members in the C.C.F.—and it is a proper argument, which would apply even to those from 65 to 69 years —that the means test discourages savings.

Under the old system, if a man reached the age of 70 and had nothing, he received a pension. If he had looked to the future and had saved a little money—not much, perhaps, but a little—he was prevented from getting this $40. The new system will cover quite a considerable number of cases throughout the country—where people may not be entirely destitute, but do not have sufficient to live a decent life. Therefore I suggest that those who criticize this move as being unwise do not fully understand the situation. In an article appearing in the *Gazette* of November 16 they quote from a speech made over the radio by the Minister of National Health and Welfare (Mr. Martin) in which he said:

> The government's program is intended to ensure that Canadians, when they grow old, have the prospect—not of charity—but of independence and a decent livelihood.

They go on to say that the program would cost too much. It is always the same thing. Then they go on to criticize the fact that the minister said—

> We can all take pride in the fact that Canada is the first nation to pay a full-scale universal pension without a means test.

They criticize the observation by the minister. These people really do not understand the situation at all. These are the same people who every day talk about the necessity of curtailing communism and doing the things which will prevent the spread of communism. During the last month I visited a country which is under a communist regime. I did not go there to see whether they were right or wrong in having done what they did; nor did I go there to see if, at the time they did it, they acted wisely. I was just trying to find out what conditions are in that country. I am referring to Yugoslavia.

In that country I saw things of which I approved. I approved of the way some things were done—but I would not want to say too much along that line for fear some of my friends might say that I have communist leanings. However, one day I did say to a government official, "You are doing a job that some people do not understand. Much of it is commendable. The way you gained power is another thing; the way you curtail political liberty according to our western standards is another thing. But as to the ways you have taken to better the fate of the masses, I think many of the things you are trying to do are in the right direction. However, when I go back to my country I will be more than ever convinced that we should bring about reforms, all kinds of reforms we need, so that our population will never be tempted to have recourse to the communist form of government." I say that because, while it leaves to human beings personal liberties, it takes away from them their political liberties and their right to choose one form or another of government. It reduces them to a state of inferiority so far as their choice of rulers is concerned and so far as approval or disapproval of their policies is concerned.

This is why I suggest it would be unwise to criticize any reform or any government that brings about social security in our country, because if there is one way of preventing the communist form of government, it will not be by the institution of rules and regulations saying that the communist party is outlawed, or that it should be driven underground, but rather by bringing to the masses in this country the means that will give them a decent standard of living. In this way they will not be tempted to have recourse to communism. While it must be admitted that in some countries it might have brought about better conditions than those that prevailed under their former system of government, in Canada we have improved the condition of the masses gradually and are going to continue to improve it; and it will serve as a safeguard against any loss of our political liberties.

I would not have time this evening to discuss all the reforms that may be needed in

our country, but I strongly approve those that bring about social security and old age security. That is one of the most important fields in which good can be done for the masses. The time has gone when the masses of the world could be held in ignorance, or could be abused. There is temptation everywhere in the world to listen to the advice of those who would offer panaceas and remedies, but those remedies are the ones we do not want in Canada. We know that the way to keep the people of Canada more satisfied is to give them a better life, to give them security in life, while maintaining our democratic form of government.

If the people feel that governments understand their needs, and if a larger and larger number of people can have a decent standard of living, we will be further away from the methods of communism.

It is all very well to say that all people are born free and that all have the same opportunity. Less than two hundred years ago the French revolution attacked many of the evils which existed at that time, and much is owed by humanity to the Encyclopedists and those who helped to overthrow the old regime. Man from then on was recognized as being equal to man, in principle. But from the moment of his birth one man is not equal to another man. He may be born of a father who is sick. He may be born of people who are intelligent, or of people who are not. He may be born of people who have money, and who have succeeded in life, or of people without means. Although in principle man is equal to man, life immediately sets in motion factors which make sure that there is no real equality.

Then life goes on, and one man with the same work and application may succeed while another may fail. Some religious people will say that those who succeeded had the help of Providence. Others will say they succeeded through chance. Others will give some other reason. But there is one imponderable element, which can be hardly known in the life of every human being, and which brings about inequality. For such cases a program of social security is needed. For such cases we are taking a step in the right direction when we do what the minister has done in connection with old age pensions.

In this regard I would not be consistent if I did not tell the minister that I am quite disappointed to see that invalids and the infirm are not looked after properly in the new legislation. Good reasons will no doubt be given for this. In his speech the minister brought forth the argument, which I did not think was as strong as the rest of his speech, that most of these people are covered by the new regulations because they are 65 years of age or over. I see people in my own constituency, and I know they exist in others, for whom something more than the present regulations is required. I think the time has come when they should be given some allowance. The minister said there were very few of these who do not come within the law. Well, if there are so few, why not bring about a remedy? It would not cost very much. I gave the figures to the house on an earlier occasion, in another debate, as to the cost in other countries, so I shall not repeat them at this time. I do repeat that in my opinion it is high time something more was done in this regard.

As I should like now to turn to another subject, perhaps I might be permitted to continue at eight o'clock.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Picard: Mr. Speaker, as I was leaving the chamber this afternoon after the house took recess someone asked me what I meant when I said that I approved of some of the things I had seen in Yugoslavia. I do not of course approve of the form of government they have there; but I found that since 1948, when they broke with Russia, there has been considerably more personal liberty, although this may not apply to political liberty as we understand it in our democracies. Considerable effort has been made to bring about a betterment in the position of the masses of the people. I do not agree with many of the things that have been done, but I have been favourably impressed by others. While it may not be from sympathy, the fact is that today they are friends of the west and as such deserve whatever help the United Nations or the United States may give them. This help would be used against our eventual common enemy should ever there be a clash, because the leaders there, and I talked with many, while not pro-west are decidedly anti-soviet union. While they will certainly never revert to our form of government, they are far away from the Russian form.

I consider that the experiment going on there constitutes the third application of the ideas or principles of Marx. We had as the first application the mild British version which originated with the Fabians and which was translated afterward into the policies of the Labour party. Then we had the extreme Russian application of Marxist principles that evolved into state capitalism and Stalinist

dictatorship. It is possible that the experiment going on in Yugoslavia may prove to be the go-between and a third form of Marxism because these people are sincerely Marxist in their beliefs, but seem to me to be getting away more and more from the Stalinist form of communism. Of course I do not accept those principles because I am a Liberal and a democrat, but the fact is that the national front government there is finding approval to a certain extent and there is no general movement against it. At any rate I will expand more on my views on this subject outside of this house, or on another occasion.

I had about reached my next point, our share in the United Nations. I think Canada should go on giving the greatest possible co-operation to the United Nations, and that we should carry on those policies. We should try to avoid being ruled by one nation and make sure that the smaller nations have a say in the United Nations and are not dominated by any one country. I contend that simply because they may be the strongest member of the United Nations, that organization should not reflect the vacillating foreign policies of the United States, if I may call them that. In that respect I should like to quote briefly from an article in the *Citizen* which was brought to my attention the other night entitled "Negotiation, a Two-Edged Sword." If a truce has been reached in Korea so much the better, because it shows it is possible that we may finally come to an agreement there. This article reads:

> As western strength grows, it does not mean that a peaceful world will come automatically. On the contrary, the danger of war may increase because of this growing strength, unless the west's expanding power is used to negotiate a settlement.

Then the article quotes a speech which Mr. Eden had made in Paris before the United Nations:

> I do not believe that in any dispute one party is 100 per cent a black villain, and the other 100 per cent snow white . . . All men are fallible, and peace can only rest on mutual forbearance and restraint.

I believe that Canada's policies should be directed toward establishing better understanding between the east and the west. We should not give wholehearted support to everything contained in United States propaganda, but on the other hand we should watch carefully whatever comes from the east. I think under the guidance of the Secretary of State for External Affairs (Mr. Pearson) our representatives have done well, and I trust that the Canadian government will continue to be careful and not follow the trend that was shown in the past of accepting everything that came from Great Britain by switching across the border and swallowing everything that comes from the United States, no matter how much we may admire what that country is trying to do to retain democratic institutions for the west and to help the nations of Europe to remain free.

Our participation in the United Nations and the North Atlantic Treaty Organization implies certain obligations of a military nature. I contend that our policies should be directed first of all to the defence of Canada. When the first incident occurred in Korea there were some in this house who contended that we should send to Korea all the help we had available. The government acted more wisely and decided that we should train a special contingent and not take away from Canada what small protection we may have had. There are some people today who advocate that we should send whatever men we have available, or even enlist more, to the European theatre of war. In this respect the leader of the opposition (Mr. Drew) seems to have adopted a different attitude from that taken by his party last year. I agree when he says that our policy should be directed toward the formation of strong mobile units that could be moved easily and quickly from one point to another rather than to send all our strength to Europe. That is somewhat in contradiction to what other members of his party advocated last year, when they complained that we were not sending enough to Korea.

Above all Canadians should think first of their own country. While we are committed to assisting in the defence of Europe along with other members of NATO, we should consider that the first line of defence may lie in our own country and our first duty is to provide for our own defence. This is the best way in which we may help in the defence of human rights and democracy. We should not forget that any nation should think of itself first of all.

We are committed in conjunction with the other United Nations in Korea and with the north Atlantic powers in Europe, and up to now we have done our share and we are willing to continue although whatever a country does for a general cause may not necessarily be given recognition. I can remember not long ago after the second war, in which we had done more than our share, when the United Nations were organized our neighbours below the Rio Grande were given a seat in the security council, which we were refused; and it is a sure thing their war effort was not comparable to ours. But these are things that have happened, and gratitude is no more to be expected in international than in national politics. At this moment more than ever I

think Canadians should consider what are the interests of their own country. We have our Atlantic and Pacific shores to defend. If war ever breaks out we may be subjected to a submarine menace that will be much worse than it was when the Germans controlled the Atlantic with a few submarines. The Russians evidently have more. We have none, and it is no secret that the allies cannot cope with that menace at the present time. Everybody knows it.

This is a field which should be investigated by the government before we commit all our strength overseas. It is necessary for us to build up our air defences for use in Canada and not send everything abroad, because nobody can tell now where the front line will be. It may well be here in Canada. With the development of air power an attack may come from the north and we may be among the first to be hit. I heard a most distressing and discouraging opinion from one European, which shows some of the ideas they have over there. He said: "You are quite lucky. In the first attack you will probably get about nine atomic bombs and some of your cities at any rate will be through with them. In our case we will not be considered that important. We will just get 500-tonners. As in the last war we will have our wounded, and our buildings will be down; but we will have to live through it because the Russians will want to keep us while on the other hand in trying to invade the United States they will fly over your country and in passing by they will drop a few on you."

One way or the other I think we might very well be in the front line. Nobody can predict where the front line will be. The first incident took place in Korea. The next one may well be in the Middle East, and nobody knows where the third attack will come, in Europe or on us if they ever decide to do so. I doubt that they will, but that is another matter that will take too long to go into. However, if the blow ever should come it might very well fall directly on us; then we would be the first line of defence. Therefore I think the government, so far as their defence policy is concerned, should consider Canadian interests first and train and keep at home as far as possible all the air squadrons necessary to defend our country. Like everyone else I know what we hear here and there about what is being done by way of constructing radar chains throughout the country. That is one thing, but once you know the enemy is coming you must have somebody prepared to meet them.

I think it is time we knew exactly, in definite terms, what is the government's policy for the defence of the country; not only our commitments abroad but how we intend to defend our country, because we do not know where these people will strike if they ever decide to do so.

That brings us to the much greater consideration of whether they will. I am one who said a few years ago that I thought Russia wanted twenty years of peace; perhaps of cold war, but not of shooting war, in order that they may bring to a higher level the standard of living of her population. I stated then that I thought she would not provoke a definite incident which might ignite the powder. I may be wrong. A lot of people think I am. A lot of people think Russia will strike any day, within a year, two years or three years. Personally I still do not believe that such an element in Russia will be the one to dominate the policies of the Politburo. I still think they will want to continue the cold war, try to raise the standard of living of their population and bring about a higher degree of productivity.

Then with the manpower they possess, and with which we can hardly cope, they will be able to attack provided they wait long enough and do not act on the spur of the moment as did Hitler, or consult astrologers and so on. I believe that guided by hard tactics alone they will wait until the moment they believe they will have a chance to win a victory. There are those who fear that the people on the other side may provoke an incident. I hope the reason and strength of mind of the people of the democracies will not bring about that situation.

I think that sooner or later, and the sooner the better, we should have a statement from the Minister of National Defence (Mr. Claxton) on the general defence policies of the country, not something piecemeal or a statement made outside of the country.

No matter what has been said, I am one of those who think such statements should be made in the house. I believe there should be enough liberty of speech in the house—and I think there is—that when a member feels the way I do on this question he ought to say so. No matter how much one may think the government may be better than its opponents, I think it is not to the advantage of parliament or of democratic institutions when such things are done as the minister, whom I respect and like personally, did by a slip of the tongue, if we may call it that, in announcing policies abroad rather than in the house.

This house has gone through many attacks. Parliament in general and our democratic

institutions have been attacked as being inefficient. How can they be efficient if important matters of policy are declared outside of parliament rather than in parliament and before they have been discussed in parliament? I think it is high time that the general scheme of our defence policy should be voiced in the house, not in vaguely worded statements or uncompromising generalities but the complete details of our defence policies as they concern not the interests of the world at large but above all the interests of Canada. Our first duty is to Canada. Our first duty to the world is to keep Canada free and democratic.

It has been my privilege to come back from abroad after visiting other countries. I visited the Scandinavian countries and Germany, and spent some time in Yugoslavia. There is nothing better than to come back home and realize the value of our institutions. If we want to keep our institutions we have to keep them alive. We have to have respect for our institutions if we want them to live, if we want people to have confidence in them. Members of parliament should not be elected only as official applauders of the leader of the opposition or the prime minister, but as men who can voice their own opinions, who are consulted and who can give their opinions, having in mind of course those they wish to keep in power, in whom they have more confidence. Once this is established, then when important matters arise members who believe in the political theories of a party support the action of the government when it is a matter of government policy.

They do not always like all these policies, but because they would rather have this government than any other group in which they have less confidence they support them. Once this has been done every member is free and has the duty to express his views. I said somewhere else that I thought it was a pity that in our debate on external affairs more people did not take part. The hon. member for Greenwood (Mr. Macdonnell) challenged people on this side to speak. The hon. member for Trinity-Conception (Mr. Stick), a respected gentleman with a knowledge of international affairs, rose to the occasion and made a valuable contribution to the debate. On this side of the house he was the only other member besides the Secretary of State for External Affairs (Mr. Pearson) who took part in the debate. I do not want to bring about a competition between parties as to which can take the longer period of time speaking, but I think it is the duty of every member of the house to voice his opinions. I do not think we are in good standing when we criticize people because they prolong a debate. Some of our friends seem to believe that the hon. member for Winnipeg North Centre (Mr. Knowles) gets up too often. I approve of that. He gets up because he has something to say, and I think no time is lost when somebody expresses an opinion in the house.

Of course I would be the last to say that we should adopt the United States system where they have a Democratic party half of which votes for the government and half against, and a Republican party that does not know whether or not it approves its leadership. I do not want that; but I claim that every member in the house should have the respect of the house, and policies should be announced in the house. I believe there should be greater and greater respect amongst parliamentarians, because if parliamentarians do not respect one another and if the government does not show all respect due to parliamentarians, the people will not respect them.

Now, Mr. Speaker, I am a partisan. I shall continue to be a partisan of the government, because I believe more in this government than in any other group now before me.

An hon. Member: Why?

Mr. Picard: To answer that would open a long discussion for which I have no time left now. I should like to answer the hon. member by referring him to my previous speeches explaining my votes and give him a further explanation when the opportunity presents itself in other debates.

There are times in one's life, however, when one has to decide between the ideas that one entertains and those of his party. The party or the government arrives at certain decisions and gives reasons for them. There may be times when you have to stop maintaining your own views and vote in a certain way on a given issue because you believe in the general program and policies of a party. If you vote against the government you may bring into power other people in whom you have no confidence at all. I will admit that at times I will vote for governmental decisions not so much because I like them but because I believe that if I vote against the government I shall vote in favour of another group in whose ideas or in whose men I have less confidence than in those with whom I am associated. That is a rule for all members of parliament.

To revert to our defence policy I think it is of the greatest importance to man the defences of Canada, and to look into our program for NATO and other international

organizations in the light of our own strategic position. As I said, our first duty is to Canada, then to NATO and the other organizations that may contribute to the preservation of democracy. As to our democratic parliamentary institutions, the best way to preserve them is to ensure the respect of parliament by the government in order that the people at large may respect it.

(Translation):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I wish to extend my most sincere congratulations to the member for Bellechasse (Mr. Picard) for the splendid speech he has just made in this house. I must admit he is truly an authority on the matters he has brought to the knowledge of his colleagues, and I congratulate him especially for his frankness and his adherence to the party to which he remains loyal in spite of the fact that sometimes he does not share the views of his party.

I can hardly omit mentioning the efforts made by the Speaker of this house to increase his knowledge of the French language.

In my maiden speech in the house I paid tribute to him for making it a duty, in all circumstances, to give the French language its rightful place in debates on the various matters brought to the attention of members of parliament.

Since, although it may be said that he is no longer of school age, the Speaker has taken lessons in the French language. I was both astonished and happy to find that, although he had but little time to learn it, he could speak fluently in my mother tongue.

This gesture should set an example to all our fellow citizens who, I am sure, must feel more and more convinced of the necessity of learning and using both official languages of the country.

I wish to congratulate the mover (Mr. Cauchon) and the seconder (Mr. Simmons) of the address in reply to the speech from the throne. Both have acquitted themselves admirably of this task.

I want to stress certain remarks made by the hon. member for Beauharnois about the gentleman who, with the assistance of his ministers, directs the destinies of Canada.

The eloquent member for Beauharnois has laid special emphasis, and rightly so, upon the firm determination of the Right Hon. Prime Minister (Mr. St. Laurent) to ensure national unity, a determination against which will beat in vain the efforts of certain narrow-minded fanatics who wish to appropriate for themselves alone the rights and privileges granted by the British North America Act and which they hold in contempt.

The Right Hon. Prime Minister, as I have already mentioned, will go down in history as a champion of legitimate collective and individual liberties and of national understanding, from sea to sea, within the confines of this great and now autonomous nation of ours.

At the risk of offending certain so-called ultra-loyalists who, fortunately, are becoming fewer and fewer and who have failed to understand what this autonomy means to the descendants of those who cleared the land in Canada, whether they be of English or French origin, I am not afraid to state that our country has reached its maturity and that, as such, it can now stride forward alone towards the bountiful future it has in store.

The prophecy of another compatriot, a most illustrious one, to the effect that the twentieth century would be Canada's, is already beginning to materialize.

Thanks to God, we have and we are developing natural resources and basic products that place us among the very first producing countries in the world.

But of what use would all this wealth be if we failed to take the necessary means to apply these resources methodically, if conditions were to become such as to paralyse all individual effort and initiative?

When we consider world conditions today, we can safely say that living conditions in Canada compare favourably with those in other countries.

The political party that now manages the affairs of this country, and has managed them longer than any other party, has always striven to establish social and economic conditions that are the envy of many other nations. Thanks to the progressive spirit which characterizes this party, the house has been able to enact social legislation to protect the workers and the underprivileged.

In fact, who will deny the huge benefits accruing to the majority of our fellow countrymen by the enactment of such laws as those on family allowances, unemployment insurance, pensions for the blind, not to mention the pending legislation on behalf of the disabled and others whose permanent disability prevents them from earning a living.

I recall that for many years the leaders and supporters of the official opposition party fought endlessly against these social reforms. They came round to them after having realized their beneficial effects, unless it was through wisdom, in the hope of being able to win the confidence of the electors.

No matter which of those reasons prevailed, the fact remains that some of those beneficent measures to ensure security to the groups concerned were necessary in this country, first as a duty and then to offset communistic propaganda, as well as the effect its wonderful promises might have had on the masses.

Workers do not have the advantage of putting aside the money which might help them go through with the least difficulty, those periods of trial and want which, unfortunately, are much too often experienced by the mass of wage-earners. All those social laws will help them and the old age pension will make them secure from destitution when they are old.

I associate myself with the remarks uttered by the Minister of National Health and Welfare (Mr. Martin) in his talk of November 13 last. I quote:

> No fear is more tyrannical than that of want in one's old age. The government's policy is intended to guarantee that Canadians, when they advance in age, may count upon independence and a decent standard of living and not upon charity and the old people's home.

During the last session, the government decided to lower to sixty-five years the age at which a person may be eligible for the old age pension. It has also increased the amount of the monthly pension paid old age pensioners, thus increasing the measure of security which this legislation provides. It is an annuity which will guarantee them comfort and independence when they reach the twilight of life.

Unavoidably, it was necessary to increase taxes, but I believe that the Minister of Finance (Mr. Abbott) deserves congratulations for having distributed so equitably the taxes required to grant those additional benefits to our senior citizens.

Since I am dealing with the Department of Finance, I deem it my duty to present a few suggestions which I believe should be adopted.

It has seemed advisable to impose an excise tax on various articles, the so-called luxury goods, like radios, washing machines, refrigerators, etc. A very burdensome tax has been added also to the price of tobacco.

I understand that very heavy sacrifices are made necessary by the extraordinarily high cost of rearmament. All the parties recognize how imperative it is to establish our defence on a sound basis. However, some members of the opposition seem to think that we are not doing enough in that connection.

If we decided to follow their suggestions, I wonder how many millions we would have to add to our national revenue, millions which would have to be levied by taxation!

Those who blame the government for not doing more in connection with our defence situation and recruiting for the various armed services take great care not to suggest some beautiful source where we might obtain such huge additional amounts as would be involved.

While I approve the government's policy as far as the amounts allotted to our defence production are concerned I think that there should be a better distribution of the taxes necessary to meet the emergency.

Reverting to the increased excise tax on the articles I have already mentioned, I wonder who, after due consideration, could seriously claim that an electric washing machine or refrigerator, or even a radio, are luxuries.

Are there some who would like us to go backward by raising the price of washing machines through taxation to such a prohibitive level that only well-to-do people could buy them while those who are not as fortunate would have to do without them?

Certainly, no one would like to go back to the times when the housewife was practically a slave and forced to labour hard without the help of those household machines and appliances which progress has placed at her disposal in the last fifty years.

It is imperative that we should contribute to the comfort and the well-being of the housewife; one of the best means to help her is to facilitate the purchase of all the appliances necessary for this purpose. It is not by increasing taxes and curtailing instalment buying facilities that we will reach this end.

Thus, electrical refrigerators contribute to the well-being to which everyone has the right to look forward to.

Some may claim that people can always use an ordinary ice-box, the cost of which is within everyone's reach. Even if this is true, one may wonder whether it is very much more economical to use natural ice than an electric refrigerator. Have we figured out the enormous quantities of food that are saved through the modern methods of electric refrigeration? I should add that this invention and the health conditions it creates help

to raise the health standards of the nation. No, gentlemen, an electric refrigerator at a reasonable price is not a luxury; it has become a necessity.

And what about a radio? Who could do without one today?

Of course, it is not necessary that we should have the most expensive models.

I could readily understand a luxury tax on appliances or machines which would truly be luxury items selling at a very high price. But I cannot see that it is proper to tax all these appliances at the same rate, regardless of cost.

I speak, I am sure, for those I represent when I ask the government to reconsider its decision and to secure elsewhere the revenue it requires.

As I suggested in a previous speech in the house, could we not, for instance, tax profits derived from the sale of businesses, properties or from financial operations on the stock market or elsewhere?

Wage-earners' incomes are taxed at the source, via salary deductions, while hundreds, indeed thousands, of people do not pay anything on enormous profits made in financial operations and which, for all intents and purposes, are truly income acquired during the year.

I also humbly submit that the tax on cigarettes and tobacco should be greatly reduced.

All members of the house know that, more than ever before, tobacco is being smuggled into this country.

This is largely due to the excessively high price of cigarettes, because of the heavy taxation on that commodity.

There was a time when a man could save by rolling his own, but nowadays, if you take into account the tax on processed tobacco, the so-called home-made cigarette becomes a near luxury, compared to what it cost before the tax increase.

And what about pipe tobacco, cut or leaf? Undoubtedly this was the cheapest method open to the smoker who wished to indulge his taste. Nevertheless a way was found to increase its price to what I consider to be an exaggerated extent.

Smuggling, which has resulted from such overcharging, has created ruinous competition for local producers, so much so that they are about to lay off hundreds of employees.

Let there be no mistake about it. There has been no drop in the amount of tobacco consumed, but thousands of people have taken means to buy cigarettes at a price which is just half the price paid in Canada.

It is my hope that in view of the requests coming in from all sides and to prevent our fellow countrymen from turning more and more into lawbreakers, the government will reconsider their position and that not only will they remove the tax increase levied in the last budget but that they will even reduce the rate levied previously.

My remarks are not inspired by the desire to oppose the government nor even to embarrass them. My sole purpose is to draw the attention of our leaders to a deplorable state of affairs, which should be corrected at once.

However, the necessary steps should be taken to prevent manufacturers from benefiting from this action on the part of the government, by increasing the price of their products.

I remember, and I have already said so here, that the manufacturers of soft drinks asked for repeal of the tax on their products, and that this request was granted.

Their main argument was that the five cent price was the popular price and that the extra cent to be paid by the consumer was, in short, but a nuisance tax, as they called this impost.

A little later, the tax was removed, the price of soft drinks was raised to six cents and, a short time afterwards, to seven cents.

Perhaps manufacturing costs, wage increases or higher sales commissions are the cause of such an increase but nothing has proven that such price increase has not entirely benefited soft drink manufacturers.

It was the same with chocolate bars. The tax on this confection was also abolished and immediately after the price was brought up to seven cents, although by this time bars were smaller.

Even if such increase is justifiable for the reasons just given, the fact remains that we might fear that the cigarette manufacturers would raise their prices also, solely to their own benefit.

I therefore suggest that a parliamentary committee be set up to authorize, if need be, the increase of the sales price in general.

Now I wish to discuss a matter which I have already mentioned in the house, namely, civil service salaries and the increase made necessary by the steady rise in the cost of living.

I understand that those good public servants will shortly receive a substantial increase. Far be it from me to claim credit for it, but I am happy to find that the government has willingly granted the numerous requests similar to mine which they have received from various quarters.

Now this commendable step should, however, be completed by a reclassification of the various positions, in order to place on the same footing, in regard to salaries, all those who perform work similar to that of other employees and who receive less than their colleagues whose duties do not require any more knowledge or effort.

The wages paid to the unskilled workers, those we call the day-labourers, should be checked in all departments in order to find out if they are in keeping with the work required from the men and with the cost of living.

Of course the wages paid to this class of workers must correspond to those paid for similar work in industry and trade. Still I maintain it would not be superfluous to make a survey in this regard in order to correct any shortcomings if not injustices, quite unintentional, I dare say, affecting certain workers.

I am pleased to congratulate the Minister of Public Works (Mr. Fournier) and the Minister of Labour (Mr. Gregg) for the increase of thirteen cents an hour granted to the women looking after the cleaning and the maintenance of government offices. This action does them honour and I have been asked to extend to these two distinguished members of the government the most sincere thanks of the people concerned.

I also express the wish that the pension paid to veterans of both wars will be increased, because like everyone else they are suffering from constantly rising prices.

We all deplore the high cost of living, which is the great problem of all those who look after a family budget. In that connection, I wish to repeat what I said previously.

In my opinion, we cannot freeze prices at their present high level and salaries at the low level now paid to a very large number of people.

Before thinking of price and wage controls, we should provide a decent salary to the small wage-earners, unskilled workers, and office workers who today are not earning enough to cope with the present high cost of living and must resort to work outside their regular employment in order to make both ends meet. Due to inadequate incomes, several families have to go without some essential commodities. We should first find a solution to that problem before speaking of controlling prices and freezing wages.

Recently, representatives from all labour unions have asked that the Unemployment Insurance Act be amended in order to reduce the number of days that must elapse between the time the worker loses his job and the time he begins to receive his unemployment benefits.

It seems to me that the reserves accumulated by the commission are sufficiently large to allow such liberalities. In any event, I do hope that the government will see its way clear to afford this timely suggestion the attention it deserves.

Before concluding these remarks I once again call the attention of the Minister of Transport (Mr. Chevrier) to the appropriateness of doing away with toll charges on the Jacques Cartier and Victoria bridges. The construction costs of the latter structure have been written off long ago. As for the former, it is true $19,000,000 still remains to be paid on it, but that is no reason to impose an additional indirect tax on the residents of Montreal and the adjoining district who use this route every day.

Why not discuss it with provincial and municipal authorities with a view to reaching a sensible arrangement in so far as the writing off of this debt and maintenance costs are concerned?

Such an arrangement would be likely to do justice to all the people of our province, since they all have to use this bridge. It should be noted that this means of communication serves tourists from all parts of the country and that they too must pay this indirect tax. But there are not many of them and the greater part of the burden must be borne by the people of Montreal and vicinity.

I intend to move a motion, at the next session, to request the abolition of toll charges on those bridges. If the government cannot grant my request, they might at least be able to abolish the price charged passengers in cars.

I hope the government will grant the many requests they have received concerning this discriminatory charge, since I believe these are the only two toll bridges in the country.

In closing I wish to assure the government that any remarks I made were made in good faith, because I thought it was my duty to make them and because I thought I was faithfully carrying out my mandate by expressing those views as frankly as I could. Despite my remarks and those few suggestions which I would like to see carried out, I wish to assure the government of my full support.

To be sure, conditions could be better than they are now; however, I do not think this country can be led by better men than we have now, or men more anxious to give their best to ensure the greatest measure of welfare to our fellow countrymen under the difficult conditions that now exist throughout the world.

I shall therefore vote for the address in reply to the speech from the throne, against the amendment and against the amendment to the amendment, because they offer no solution to present-day problems and merely amount to a motion of non-confidence in the best government our country ever had. Such a motion I could never support with my vote.

(Text):

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, before turning to the subject on which I wish to detain the house for only a few moments I should like to make one or two comments on the speech of the hon. member for Bellechasse (Mr. Picard), to which I listened with keen interest. I refer particularly to what he said about the desirability of debates in the house on foreign affairs being more actively participated in, and I agree fully with him. He of course has had the advantage of being abroad this summer, and was therefore able to speak about these matters with a certainty of touch which the rest of us could hardly have. Nevertheless we are an international power now, and it seems to me the time has long since passed when we should get rid of what seems to have been almost a taboo on the subject of foreign affairs. I do hope that what has been said tonight by the hon. member for Bellechasse will bear fruit.

I was of course also delighted with another statement he made in answer to a question from one of my colleagues as to why he supported the government. He said, and I hoped he said it sadly, "Oh, that would take a long time to explain". I took great comfort from that, and I hope not without justification.

My only excuse for rising a second time in the debate, even to speak for only a few moments, is a statement made in the house the other day which it seems to me was entirely wide of the mark and completely removed from reality. I should like to take a few moments of the time of the house to bring it back to what I, at any rate, consider to be a realistic view of the situation. I refer to the remark made the other day by the parliamentary assistant to the Minister of Finance (Mr. Sinclair), in answer to a question as to whether the Bank of Canada supported Dominion of Canada bonds. He sought to suggest that, really, the Bank of Canada had no responsibility. I sympathized with him, because I thought he was given the rather ungrateful task of trying to explain something which I think cannot be explained, because I do not think it is a fact. He practised hair-splitting and, indeed, evasiveness, which I do not think is characteristic of him but which, nevertheless, I suggest was characteristic of the statement he made the other day.

I should like to point out in passing that this attitude of running away from responsibility, trying to pretend that the bank had nothing to do with this, is a change—oh, such a change—from the attitude of some years ago, when we were treated to any number of boasts as to what the bank was doing, how it controlled this and that, how it knew all the answers, and so on, and so on. Indeed, I propose to read a little later a statement by no less a person than Mr. Ilsley, to show that even the careful Mr. Ilsley was led a pretty long way toward saying that they had the answers, and that it was now really possible to control all kinds of things, which they have since learned cannot be controlled.

I should like to point out that I am not questioning the importance of these powers; far from it. What I am questioning is this apparent desire to run away from the fact and to treat the house to statements which I think do very little credit to its intelligence, and which we should not be asked to accept.

I should like first of all to read a short statement from the *Financial Post of* November 24, which sets out what is I am sure the unquestioned belief of the ordinary man of business, in the financial world, as to what

is the practice at the present time. I propose to read this; and then I propose to read briefly from what the parliamentary assistant said. I then propose to look back very briefly, also, to show that the whole purpose of the Bank of Canada, at least one of the chief purposes, as set out in the preamble and in the statement made by those responsible for its organization, was to do the very thing which we are at the present time being asked to believe it does not do.

I quote now from the *Financial Post* of November 24, page 4:

> Although prices of Canadian bonds dropped sharply on Thursday last week with the long terms being off from 1 to 1½ points, prices have held steady since. Longer term government bonds are said "resting" on Bank of Canada bids again but shorter term governments are quite buoyant and in good demand . . .
>
> The reason for the drop was a lowering of the prices which the Bank of Canada was willing to bid for government bonds. For some time now, dealers say, the bank has been the main buyer of government of Canada bonds and so, in effect, was supporting the market. (In January, 1948, the bank stopped its wartime practice of issuing a daily list of prices at which it would buy and sell government of Canada bonds and reverted to its pre-war practice of dealing in general only in response to offerings and bids of dealers.)
>
> As soon as dealers found no buyers for their offerings, dealers dropped their prices until they found the level at which the bonds would be bought, either by the Bank of Canada or others.

And another short quotation from the same issue:

> Big news of the week was the Bank of Canada temporarily withdrawing its support from government bond prices. When prices dropped $1 to $1.50, Ottawa again temporarily at least lent its support. The move has signalled higher interest rates generally, tighter money, and, of course, new brakes on capital expansion programs.

Having said that, I wish to read what the parliamentary assistant said the other day, when he referred to the statement of the hon. member for Kamloops (Mr. Fulton):

> —that the Bank of Canada formerly supported the market for Dominion of Canada bonds by issuing quotations of the prices at which it would purchase bonds . . .

The parliamentary assistant went on to say this:

> This apparently refers, although somewhat incorrectly, to a wartime practice which terminated nearly four years ago. It was not a practice of supporting the market, but a question of trading methods. During the war the practice was for the Bank of Canada to notify dealers each day the prices at which, subject to change at any time, it was prepared to buy bonds, and similarly the prices at which it was prepared to sell.

If anyone can tell me what better words could be used to describe the operation of supporting the market, I would like to know them. The parliamentary assistant continued:

> In January, 1948, the bank announced that it was reverting to its pre-war practice of dealing, in general, only in response to bids and offers initiated by other buyers and sellers in the market, and there has been no change in its usual practice since that time.

That is a change of small significance so far as I can see. All that it means is that instead of the bank notifying them in advance what they would pay, what the bank did and still does is to stand by and watch the course of prices before making up its mind at what rate they will start to act, and to act accordingly. In my opinion to say that that is not supporting the market is just playing with words.

Let me just take a moment or two to remind the house what the Bank of Canada was formed for, because it seems to me that if this statement which has been made were true the bank is actually running away from doing the thing it was supposed to do. One phrase in the preamble of the Bank of Canada Act reads:

> Whereas it is desirable to establish a central bank to regulate credit and currency—

I should like to go on and quote briefly from what Mr. Rhodes, the then Minister of Finance, said when introducing the bill in 1934:

> It is intended that the bank shall have a definite measure of control over the total volume of credit and thus be in a position indirectly to exert an influence over the general price level.

Four years later Hon. C. A. Dunning, then Minister of Finance, said this when speaking of the machinery:

> Canada's financial machinery is now adequate to enable the government to cause effective action to be taken in the field of monetary policy to the extent that monetary methods may be appropriate to solve our problems.

I should like to quote briefly from what Mr. Graham Towers, the governor of the bank, said when speaking before the banking and commerce committee in 1939. After four or five years of experience in the operation of the bank he said:

> I believe that in no country and at no time have there been bank and market responses to central bank action and central bank policies more complete, more full and more in line with anything that a theorist might have anticipated than have taken place in Canada.

That is a strong statement. How does the bank exercise this influence? I suppose two of the strongest and most obvious ways would be by buying and selling securities on the market and by the regulation of interest rates.

If you look at the Bank of Canada Act you will find the widest powers given there for the buying and selling of securities.

Why this change? I should like to read something that was said by Mr. Ilsley. Hon. members will note that this is cautiously worded; nevertheless the indication is that they know the answers, that they know how to fix the prices of securities. I have before me a circular which was issued in October, 1945 as an aid in selling victory bonds. It is entitled "Victory Bond Prices" and contains a statement by Mr. Ilsley as follows:

> It will be of the greatest importance that we maintain, indeed assure, a ready and stable market for all these millions of bonds that we have sold. We have now the monetary and financial machinery and we have developed the methods for accomplishing this, and we will therefore be able to deal with any situation which may develop in a way which will keep faith with the millions of investors who are supporting the savings program in this national emergency.

There is caution as well as emphasis in that statement. Of course Mr. Ilsley does not say that the bonds will never go below par; nevertheless the people selling those bonds did their best to make the investors believe that. When Mr. Ilsley mentioned keeping faith with the millions of investors, the faith which the ordinary man thought was implied was to keep the bonds at par. I am not saying Mr. Ilsley ever said that, because he did not. On several occasions he refused to say it. Nevertheless at that time the government in effect indicated that they knew all the answers.

What has happened since? We all know. The situation is not quite so good now. The Canadian dollar does not look as good now as it did then. We have had a lot of what can be described as debasing of the currency since then. Our fine Canadian dollar which people were asked to purchase ten years ago in the form of bonds and which they were told was the best investment they could ever have has been affected by this debasing of the currency, and today that dollar is not as good as it was.

Therefore I say that we now have an attempt to get away from responsibility. Now that the powers given four or five years ago have not produced exactly the results which were hoped for, now that a reverse situation has come about, it does not seem to be so popular to assume responsibility. Therefore I bring this to the attention of the house. I say again that I think the statement we had the other day was a masterpiece of hair-splitting. It is complimentary to call it hair-splitting. Though there is not a single sentence in that which is actually a misstatement, to me the whole effect was a complete—what shall I say—failure to state the reality of the situation. That is putting it most mildly, but I do not like strong words which may cause pain in certain quarters and which one may want eventually to soften. I say that is a very soft expression to use. All I can add is that I hope this house will not be treated again to a sample of this kind of thing which is far from being a compliment to our intelligence.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I should like tonight to take up a number of things which are of interest to the people of my constituency. The world has grown so small that world affairs come home to us very closely. I suppose that if my constituents had the choice of anything kind Providence might bestow upon them they would ask for the establishment of world peace under the rule of law. That granted we could then proceed toward the solution of other problems.

The next great problem facing the world today is the feeding of its population, which is increasing at an amazing rate. In spite of our vaunted agricultural technique our food production is not nearly keeping up with world demands for food. The distribution of wealth in the form of consumer goods is on an uncertain and haphazard basis. We on this continent are fortunate in being possessed of almost limitless resources, but we cannot expect to sit tight forever on an island of plenty, an island of great natural resources, when surrounded by the envious and hungry eyes of nations which are less fortunate than ourselves. Even in this country we have our distribution problem. The people of Canada are being mulcted by inflation and high prices going still higher. Throughout the years the Minister of Finance (Mr. Abbott) has tried to soothe us with the comforting thought that when consumer goods became more plentiful prices would level off. But is there anyone within the sound of my voice who is now so naive as to think that the system of supply and demand operates freely? It is true that there is an abundance of goods upon our shelves. Our consumer supplies are, I think, almost greater than we can use. There is an abundance of goods which one of these days is likely to prove an embarrassment to us as it has before to our topsy-turvy and haphazard economic system. Under a system in which the law of supply and demand was in free operation, prices would have fallen long ago.

The much vaunted free competition is conspicuous by its absence, and when goods become plentiful they do not necessarily go

down in price. The manufacturer simply shuts down his factory and throws his employees upon the tender mercies of unemployment insurance until once more the need for supplies makes people willing to pay the same if not a higher price for the same goods. Once again we have proven our ability to produce far more than the needs of our own population. Consumer goods are plentiful, but they are not getting into the hands of the consumers. This tremendous production of consumer goods goes on in spite of the demand created by defence production and the transfer of men and machinery formerly used in the production of consumer goods to the production of defence goods. Is it any wonder that certain groups of businessmen are concerned as to what is going to happen if peace is declared? Is it any wonder that the New York stock exchange slumps to the degree that Korean settlement becomes likely? I ask hon. members if that is not a tacit admission that our economy only works smoothly during a war period or when war is threatening. Whether or not it is a sign that business interests believe there is now a better chance of peace than formerly, our economy is certainly not functioning too well in some quarters.

We hope that the optimism expressed today about a cease-fire in Korea is justified. If a cease-fire has been agreed upon; if a geographical line has been decided upon; if the date for such a cease-fire has been set, then I hope Canada will bring her influence to bear upon her allies to bring their influence to bear upon their foes to the end that in the meantime there may be no more killing and unnecessary slaughter before the armistice. A soldier may think the world well lost if he is fighting in a just and necessary cause, and the parents of our troops may even agree, but it seems to me a pity that a soldier should lose his life under circumstances such as I have described, in what must be for that time at least a pseudo battle which can decide nothing. I speak with some feeling on this matter because I was intimately connected with a family who suffered an unfortunate occurrence about the end of world war I. When the date of the armistice was announced as November 11 the family met together to celebrate in a quiet way the fact, as they thought, that their son would now be coming home unscathed; but the boy was instantly killed one night in a wheat field near Cambrai just a day or two before November 11, the date upon which the armistice actually went into effect. The yellow telegram arrived a day or two later. A life was unnecessarily lost which could have been spared for Canada, a life which Canada and the parents of the boy could ill afford to lose.

I was saying that our economy is not functioning too well in some quarters. The hon. member for York South (Mr. Noseworthy) pointed out to the house the other day the seriousness of the unemployment situation in Toronto. Vancouver too is having its unemployment problem and is concerned lest its mild climate may attract more jobless people to that part of the country. I have here the Saskatoon *Star-Phoenix* of November 21, 1951, in which there is a Canadian Press dispatch to which I wish to refer. It contains a statement by Mayor Fred Hume of Vancouver to his council. The article reads in part:

> "Things are getting tough in Vancouver, no fooling," Mayor Fred Hume told council. "I have as many as ten people in every day looking for work and I don't know where to send them." On October 25 there were 12,604 persons registered with the national employment service in Vancouver and only 1,025 unfilled jobs.

Vancouver is warning unemployed people to stay away, and with some reason. I have here an article from the Montreal *Gazette* of November 21 which refers to social service workers as saying:

> We've been urging all the younger men to start hitch-hiking towards the coast ports before the weather gets any worse.

The same dispatch says that in Montreal 20,000 men and women are unemployed and that the number may climb to 30,000 by the end of this week. Soup kitchens have been opened, and in the words of the article, "transient shelters are filled to capacity each night". The article is accompanied by a picture of a line of men waiting for a free lunch, and winter is not with us yet. The article mentions the scarcity of cash as one of the reasons for unemployment. I am reminded of the Minister of Finance's definition of inflation: "Too much cash," he has said on numerous occasions in my hearing, "chasing too few goods." It is a definition which will interest but will not encourage able-bodied men who are out of work. They have no cash. Goods are plentiful, it is true, but so far as they are concerned they are plentiful only in the shop windows.

Let us look for a moment at the other side of the coin. Profits and dividends are at an all-time high. The minister is trying to see to it that we have not too much cash. Taxation has now reached the point in this country where it may in fact become inflationary. I should like to refer to the Montreal *Gazette* of November 24 which says that the revenue surplus soared to $604,700,000 for the first seven months of the fiscal year, with October showing an increase of $91,500,000

and revenues going up to $354,600,000. Here, if you like, is too much cash, but it is in the hands of the government and its minister. It is an embarrassment of cash, but this government forsooth has not enough money at this session to increase the pensions paid to burnt-out pensioners under the War Veterans Allowance Act. Under that act a single man only receives $40.41 per month, and that under a means test. He can only have $10.42 additional monthly income if he is not to be prejudiced in the receipt of even that pittance. The married man is perhaps in a worse position. He receives $70.83, and the ceiling on his total income is $91.66. Items counted as additional income under the means test are such things as disability pensions and the old age pension, if the recipient is eligible for either of them. Inflation is described as too much cash chasing too few goods. Here is a class that has not too much cash; the government has seen to that. In view of the cost of living the goods that can be purchased by this class are indeed few.

We have not heard so much in this House of Commons about the plight of the veteran's widow under the War Veterans Allowance Act, perhaps because the widows are fewer in number. They, too, should receive immediate consideration. The government has said that at the next session it will set up a veterans committee to consider these things. I appeal to the government to consider these matters at this present session. Just a small fraction of these accumulated and embarrassing millions to which I have referred would set right the great wrong which has been done to these underprivileged classes of society. The request made by the Canadian Legion on their behalf is not unreasonable, and should be granted now. The executive committee of Saskatoon branch No. 63 of the Canadian Legion has written to me about the matter. They have sent me a copy of a resolution which I shall put on the record. It reads:

> Whereas those veterans whose sole or main income is an allowance under the War Veterans Allowance Act are suffering hardship due to the increasing high cost of living and,
>
> Whereas the government of Canada has announced the situation will be referred to a veterans committee of the House of Commons in 1952 for consideration and recommendation;
>
> And whereas the plight of many of these recipients of war veterans allowance is desperate now—
>
> The word "now" is underlined.
>
> Be it resolved that the government of Canada be urged to bring in a bill at the present session of the House of Commons, increasing basic rates of allowances under the War Veterans Allowance Act so that such allowances will at least provide food, clothing and shelter for the recipient.

A few minutes ago, Mr. Speaker, I was talking about the food production of the world. We, and particularly those of us on this continent, have wasted our heritage. We have slashed our timber lands; we have lowered the water table; we have impoverished our soil; we have caused soil erosion, and all for the sake of immediate gains. We shall have to call a halt. If these acts of commission are reprehensible, no less reprehensible has been our neglect to supply available water to our parched lands that they may become more fruitful. This brings me, as one would suspect since I am a Saskatchewan man, to the question of the Saskatchewan river development project. A successful irrigation scheme would be of inestimable value to that part of the country. Possibly the greatest problem facing Saskatchewan is caused by the slow growth of her population. The mechanization of wheat farming, the increased acreage of the average farm, mean that less and less people are needed for the process of growing the great quantities of grain which we produce. Climatic conditions work against the establishment of mixed farming.

Oh, it is easy for the arm-chair farmers to say that the farmers could keep more cattle. Most of these arm-chair farmers do not realize the climatic conditions under which farmers work, particularly in the southwest corner of Saskatchewan. More and more farmers are living in the towns, and under today's conditions one cannot blame them. We need more mixed farming; we need more stock raising, more industry and, above all, we need more people. A partial solution at least would be to bring water to the lands which are often parched for the lack of it. Thus it is that, as I have often done before, I urge the government to proceed forthwith with the great irrigation project that is planned. Government speakers, and in particular the Minister of Agriculture (Mr. Gardiner), have spoken generally in favour of this scheme. They have helped to create a public demand for it, but as yet they have done little in a practical sense to bring the plan to fruition.

This is not a political thing. It should not be looked upon from a partisan viewpoint, although political capital has been made of it. Last summer I attended a great meeting of farmers held at Outlook, Saskatchewan. These people were in earnest. They want action, and they want it soon. I had hoped that something would have been done before now. The minister's speeches before the last two federal elections seemed to give us some assurance of that. In February of 1949 I made a speech on this subject. I admit

that on that date I was convinced something was going to be done soon, because on that occasion I said:

> Irrespective of what party is in power—

That is after the 1949 election.

> —I think something will be done. If the project is sound from an engineering point of view, this government is to be censured for not carrying out its promises.

That was three long years ago. After the 1949 election we again had high hopes, but the minister hedged a bit. He said the province of Saskatchewan would have to put up its share of the money. The province gave its assurance as to that, and we were then told that nothing could be done without agreement between the three provinces concerned as to the water distribution. Then there was to be a delay for the final inspection by a prominent engineer. Although the minister was questioned at that time as to the name of the prominent engineer, we were never able to find out. The matter was then handed over to a commission of three experts who are now studying it, and we believe their decision will be favourable. I do not believe it could be anything but favourable. If that is so, then I urge the government to proceed forthwith, even before the next election. I am concerned with the benefit this project will bring to the country more than I am concerned with who gets credit for bringing it about. The completion of this scheme would benefit not only our province; it would bring work to a great many people. It would increase the population of Saskatchewan; it would put a greater number of people on smaller farms, and it would mean a new type of farmer. It would encourage diversification in farming and the breeding of livestock, and would conceivably promote other industries such as the finishing of beef cattle and the production of beet sugar. It would mean more business for the towns, and would stabilize the farm economy of the province. It would affect the nation as a whole. Let us proceed with it.

Much has been said at this session of the current difficulties of the prairie wheat farmers. We hope something will be done to help them in their temporary trouble due to the lack of storage space and the lack of transportation. We hope they will be assisted financially until their crops can be delivered in the ordinary way. The demands for better transportation have perhaps embarrassed the government and the railways. It occurs to me that embarrassment might have been very much greater if the crop had been taken off, as it usually is, in two or three weeks of fine sunny weather. In view of the apparent lack of preparation for the movement of this year's crop, the fact that most of it was not ready as quickly as usual has been something of a face saver, in my opinion, for this government and for the transportation companies. The storage of grain, of course, is one of the difficulties this year, and I am going to suggest to the government that the storage space at the port of Churchill might well be enlarged. The present capacity of the elevator up there is 2,500,000 bushels. If there were greater storage facilities, greater use of the Hudson bay route would be encouraged. That in turn would be an advantage to the growers in that shipping area; it would also be an advantage to my own city and to other northern towns.

There is another consideration. I was reading tonight in my home paper that the grain people are estimating that in the northern part of Saskatchewan only about 20 per cent of the wheat that is being shipped is classified as dry; it is damp or tough. The Churchill elevator is equipped with splendid drying facilities which in any wet harvest year, such as this one, could be used to tremendous advantage. If more storage space were available, more wheat could be prepared there for export through the use of even the present drying facilities which throughout the years have been comparatively idle. I think last year was the first in which any substantial use was made of those facilities. It was amazing to me to learn the amount of grain that could be dried there in twenty-four hours' time. The Minister of Transport (Mr. Chevrier) has received in this regard at least one representation that I know about. That was from the council of farm unions of the prairie provinces. I have twice questioned him about it, and in spite of his rather discouraging reply today we hope that the government will give it earnest consideration.

I have one more subject to bring before this house at this time. For some time we who live in Saskatchewan have felt that a production unit of the Canadian Broadcasting Corporation should be established in that province. There are three provinces in Canada where the C.B.C. has not set up such a unit. Before deciding to bring this matter before the house I canvassed the opinions of the premier of Saskatchewan, the president of the farmers' union in Saskatchewan and the president of the Saskatoon federated co-operative, and I have received unanimous endorsation of the idea. I have in my hand letters from those gentlemen in regard to the matter.

As things are now it is difficult to arrange to have people from our province take part in such programs as "Citizens' Forum",

"Critically Speaking" and other programs which ought to reflect the thinking and actions of people all over Canada, not just people from a group of provinces. Were there administrative offices in Saskatchewan, or were there a production unit there, C.B.C. personnel would have a better opportunity to become acquainted personally with the leaders in the various organizations in that province, with speakers, musicians, actors and artists of all kinds. There would be a tremendous stimulus to local talent which might be used on the air; and there is a great deal of talent in that province. I noticed tonight that in Edmonton at a national contest in poetry put on some time ago by the Canadian authors' association, several of the prize winners were young Saskatchewan people.

In this interchange of correspondence between Premier Douglas and the chairman of the board of governors of the C.B.C. there is a letter from Mr. Dunton to the premier in which he says:

> We have been aware for a long time of the desirability of having a C.B.C. production unit in Saskatchewan. I hope the new financial arrangements for the corporation will make it possible in the not too distant future.

Then I skip a line or two and quote again:

> I can assure you, however, that a production centre for Saskatchewan is very much in mind.

That is indeed good news; and I express the hope that, when the necessary funds are available, this project will be one of the first to be carried out. I urge, of course—and it is natural perhaps that I should do so, for I am prejudiced—that the natural place for such a unit is the city of Saskatoon. I shall not weary the house by cataloguing its natural beauty and its many advantages, except to say this, and it is revelant to the subject under consideration. As the site of the provincial university it is the educational centre of the province; it has become recognized as the city in which most Saskatchewan organizations hold their conventions; and geographically it is at the centre of the large populated area of Saskatchewan. It will be of tremendous advantage to the city, to the province and to the Canadian Broadcasting Corporation itself if there is established at that point a production centre such as we visualize.

In conclusion, Mr. Speaker, may I recapitulate the earlier part of my speech by again drawing to the attention of the government the desire of our people for the early construction of the Saskatchewan dam, the need for greater storage facilities for grain at the port of Churchill, the desperate need of the burnt-out veterans and veterans' widows for increases in their pensions, and the reponsibility of this government to alleviate somehow the uneasiness caused in Canada by inflation, over-taxation and the high cost of living.

(Translation):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, in view of the importance of the legislation introduced during this session and of the urgency of the problems which I have to submit to the government, I would be shirking my responsibilities if I did not take part in this debate.

I wish to associate myself with those who have preceded me in order to congratulate the mover of the address in reply to the speech from the throne (Mr. Cauchon) and the seconder (Mr. Simmons). Their electors should be proud of them. I have listened with particular interest to the speech of the member for Beauharnois and I have admired the manner in which he dealt with national unity. Before concluding my remarks, I shall come back to a particular aspect of national unity.

Our country is developing rapidly and the constituency which I have the honour to represent, Lake St. John, is in the forefront of the industrial development.

For the past few months the Aluminum Company of Canada has been engaged in the development of two power stations on the Peribonka river and the extension of its aluminum plants at Isle Maligne. These works, which will cost in the neighbourhood of $100 million, create for the people of my constituency certain problems that appear difficult to solve. I am referring in particular to the housing problem. Some time ago, the Minister of Resources and Development (Mr. Winters) announced improvements to the federal law on housing for the benefit of the workers employed in defence industries.

Because aluminum is a metal used in the production of munitions of war, the Lake St. John district should be considered as an emergency district within the meaning of the act recently amended. I bring this point to the attention of the government. For my part, I am convinced this is the only way to face the situation and to solve, partially at least, this difficult and yet alarming problem, the housing problem. The need is particularly great at Saint-Joseph d'Alma, Naudville and l'Isle Maligne.

The Minister of Veterans Affairs (Mr. Lapointe) announced, a few days ago, an increase in the basic rate of veterans' pensions. The steady increase in the cost of living had reduced the value of their original pension. They were fully justified in asking for an increase in their pension.

By granting the requests of the Canadian Legion and by carrying out our recommendations, the government did justice to the veterans of the two world wars and carried forward the social security program it is trying to extend even further to all classes of Canadians. This brings me to the most important social security legislation ever passed by a Canadian parliament since confederation—I mean the act providing for old age security.

Personally, I am delighted to be a member of the parliament that passed that legislation and I take pride in supporting the government that brought it forward.

In this way, the federal government will be contributing half the cost of pensions for those aged 65 to 70 and will assume the entire cost of paying a universal pension of $40 per month to people aged 70 and over. As stated by the Minister of National Health and Welfare (Mr. Martin), we can all be proud of the fact that Canada is the first country to pay a universal pension without a means test.

In two previous speeches in this house I had the honour to ask that this social security be afforded the old people of my constituency. I am glad that this is at last an accomplished fact.

The mover of the address in reply spoke of national unity. This national unity, to my mind, would be far better served if the Department of National Defence were to erect a military college in the province of Quebec. This would make it easier for our young men to make a career of army life.

The Minister of National Defence (Mr. Claxton) seems to be very favourably disposed with regard to the requests of French-speaking Canadians. I am confident therefore he will give our recruits the same advantages given those of other provinces. The establishment of a military college in my province would remove an injustice and the source of many grievances. National unity would be strengthened and we would be better prepared to play our part in the international field.

It is comforting to see the growing importance Canada is assuming among the nations of the world. As stated a few days ago by a Quebec newspaper, *L'Action Catholique*, one feels something has changed. Yes, many things have changed. Canadianism has become a more and more compelling force, and our country, united within by a common patriotism and by common feelings, is beginning to assert its sovereignty abroad.

This is due to the wisdom of its government and, in particular, to the broad-mindedness and the ability of the great statesman who presides over its destinies.

[Mr. Gauthier (Lake St. John).]

In closing, Mr. Speaker, may I add that in my opinion national unity would be greatly strengthened if every Canadian from coast to coast could fly the same typically Canadian flag.

(Text):

Mr. H. O. White (Middlesex East): Mr. Speaker, I do not intend to take very much of the time of the house tonight, but there are two or three matters I should like to mention. First, I want to support the amendment introduced by the hon. member for Acadia (Mr. Quelch). One of the matters I want to deal with is that of the reserve army and our railways. The reserve army enjoys a high priority as far as military goods and supplies are concerned. It is on the reserve army that we can draw to maintain our forces in other parts of the world. On good authority I understand that while many small firms, private industries and companies aid this effort by allowing their employees to take time off to assist in the development of the reserve army, the railways in some instances are discouraging their men from participating in those activities. Therefore I would suggest that the Minister of Transport and the Minister of National Defence get together on this so they will not be pulling one against the other at a time when we need all the men we can possibly get to participate in our defence activities.

When I took part in the throne speech some three weeks ago I mentioned the amounts of money that were available for stemming the tide of communism and for the rehabilitation of Europe and other lands. After the debacle of Iran and the oil negotiations there we find that the premier comes to America and we pat him on the back and say: "You are a good boy." He is lent $9 million from the international monetary fund and told; "You have been a bad boy; go home and sin no more." That seems to me to be a very nice way of rewarding a certain amount of international brigandage.

Then we were more or less shocked, then reassured, and today again alarmed about the developments in Europe and the alleged commitment of Canadian funds for the building of airports and barracks in Europe. Whether it is right or wrong I am not going to say, but I want to point out first that we have all these hundreds of millions of dollars to do these things, yet our young people in Canada are not able to establish themselves on the land or in business. We have money to pour out all over Europe and Asia for these questionable purposes, and the defence of Europe. With all the people they

have available there I should think they could do some of the work themselves. If we are to supply the men, the planes and the guns to help defend Europe, surely one of the contributions they could make would be to build the airports, the airfields and the barracks in which they are to live.

I noticed in a newspaper article on the recent visit of the Minister of Agriculture (Mr. Gardiner) to Rome, his participation in the deliberations of the food and agriculture organization there, and his announcement that he was afraid the agricultural production of the world, and of Canada in particular, was likely to decrease. Part of the reason for that is inflation, and part of it can be laid on the doorstep of the government. We have long since reached the point where we are pricing ourselves out of European markets. They can no longer buy our goods.

Then there was an announcement in the paper a day or two ago that food supplies in the United Kingdom are lower than they were at the height of the submarine menace during the war. We find ourselves short of markets for some fruits and fruit products, yet in Great Britain and elsewhere they are not able to buy them.

I wanted to say that I concur heartily in the views expressed by the hon. member for Calgary East (Mr. Harkness) that the war veterans allowance should have been taken care of at this session. I agree, too, with the suggestion he made that if the measure is introduced at the next session it should be made retroactive. I must say that I receive great numbers of letters from men who are receiving war veterans allowances, telling me of their plight in trying to make ends meet on this inadequate allowance.

In the news broadcast at eight o'clock in the morning, November 14, it was reported that the Minister of Trade and Commerce (Mr. Howe), in reply to an inquiry regarding Great Britain's worsening monetary and trade situation, had said that there was a good market in Great Britain for Canadian goods. In view of the serious situation in that country, I must say he certainly was optimistic.

There are two further items I wish to bring to the attention of the house. One is a paragraph in a letter over the signature of the clerk of the city of London with regard to proof of age for old age pensioners. He points out that the council of London passed a resolution stating in part:

> Therefore be it resolved that the dominion and provincial governments be respectfully urged to establish, in county seats and in all cities, bureaux to enable applicants for old age pensions to present evidence for the purpose of establishing date of birth, and that consideration be given to the advisability of appointing a local authority, such as a city or county clerk or city or county welfare administrator, with the powers of a commissioner for the issuance and certification of proof of age documents, and further, that a copy of this resolution be forwarded to the local members, and to the Ontario municipal association, with the request for their support.

I believe there is considerable merit in that resolution, and I hope the government will give it serious consideration.

Then I have in my hand a chart issued by the Department of Mines and Technical Surveys, showing the set-up of that department. If all departments of government would issue these in loose-leaf form so they could be brought up to date from time to time, they would be most helpful to members of the house when they wish to get in touch with various individuals in departments, as they must do from time to time.

On motion of Mr. Poulin the debate was adjourned.

KOREA

REPORTED ARRANGEMENTS FOR A CEASE-FIRE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if I might have the unanimous consent of the house, I should like to revert to motions so that I may discharge a promise I made to the hon. member for Rosetown-Biggar (Mr. Coldwell) to communicate to the house, as soon as I got it, any information obtained from the unified command of the United Nations with respect to cease-fire negotiations in Korea.

The information I have received is that the sub-delegations of the United Nations and enemy delegations meeting at Panmunjom have agreed on the line of contact between the United Nations and enemy forces for the 145 miles across the peninsula of Korea, and have thereby established the description of a neutral buffer zone which would extend two kilometers in depth from this contact line on either side, and from which both sides will withdraw if an armistice is signed within thirty days. It was expected when this dispatch was sent to us that at a meeting which was to take place at Panmunjom at eleven o'clock Tuesday, their time, which corresponds with nine o'clock p.m. eastern standard time today, the full delegations would approve the findings of the sub-delegations.

However, before a cease-fire can take effect it will be necessary for the full delegations to concur on arrangements for inspection to ensure that the truce is being observed, and to care for the exchange of prisoners of war. There is a third remaining outstanding item on "recommendations to the governments

concerned on both sides", which has not yet been explored. And it is only when agreement on all three of these outstanding points has been reached that it will be possible for a cease-fire to take official effect.

The sub-delegations were to meet at eight o'clock eastern standard time to complete their report for the full delegations of the two sides. The full delegations are probably in session at the present time. They were called to meet at what would correspond to nine o'clock eastern standard time today; and it is assumed that they are now in conference dealing with this line of demarcation which has been set out on the plans, and with the explanatory notes.

It was expected that they would ratify this line of demarcation. The arrangement with respect to it signed on November 23 provided that when the cease-fire became operative, each side would withdraw two kilometers in depth from this line of demarcation, and that that would be the line of demarcation if the other items were agreed upon within thirty days from the ratification of the line of demarcation.

If they did not agree within thirty days they would nevertheless continue their negotiation of these other points; and when they had arrived at agreement upon them, the sub-delegations would revise the line of demarcation in conformity with what might then be the point of contact between the opposing forces.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister if he has any comment to make on another point made this afternoon by the hon. member for Rosetown-Biggar, namely as to the possibility of there being a minimum of actual warfare during the period between now and the effective date of the proposed truce?

Mr. St. Laurent: There is nothing in the dispatches bearing upon that. That would evidently be something that would be determined in the field by the local commanders of the opposing forces.

Mr. Knowles: And may I ask one further question. The Prime Minister referred to a third subject, namely outstanding matters of concern to the various governments. Is Canada one of the governments concerned, in view of our participation? If so, does the Prime Minister know what the matters are?

Mr. St. Laurent: There is a third remaining outstanding item on "recommendations to the governments concerned on both sides." I assume that the recommendations would be made through the unified command to all the governments having forces participating in the actions of the United Nations.

Mr. Knowles: So we are one of those governments concerned?

Mr. St. Laurent: It is my understanding that we are one of those governments concerned to whom this cease-fire committee would be making recommendations.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will move second reading of Bill No. 25, to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations. This bill is being referred to the committee on public accounts. Next we will consider railway legislation, and as the first item the resolution in the name of the Minister of Transport, No. 8 on today's order paper; and three bills reported from the committee: Bill No. 12, to amend the Railway Act; Bill No. 6, to amend the Canadian National-Canadian Pacific Act, 1933 and Bill No. 7, to amend the Maritime Freight Rates Act. If we have time we would proceed with Bill No. 8, to amend the North Fraser Harbour Commissioners Act.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Tuesday, November 27, 1951

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

ITALY—PO RIVER FLOOD—ASSISTANCE FROM CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I now have some further information to give to the house on the question of relief to the stricken people of the Po valley in Italy. This will supplement what I said to the house yesterday afternoon.

Perhaps hon. members will have noticed in the news this morning that the Canadian Red Cross Society in addition to supplies from a stockpile in Geneva is contributing $15,000 worth of supplies from Canada. These supplies are taking the form of blankets, woollen underwear, shoes, powdered milk and medicines. The society has approached the government with the request that we facilitate the transport of this material to Europe.

I am glad to inform the house that the government has today placed at the disposal of the Canadian Red Cross Society two North Star aircraft. These aircraft will deliver the material to some airport in Europe which has not yet been designated. Through arrangements made by the Secretary of State for External Affairs (Mr. Pearson) and the Minister of National Defence (Mr. Claxton), both of whom are in Rome attending the meeting of the North Atlantic council, the supreme headquarters allied powers in Europe have undertaken to deliver the material from whatever airport is selected to the actual scene of the disaster.

I know that the house will be unanimous in its appreciation of the expeditious manner in which the Canadian Red Cross is contributing to the relief of the very considerable suffering which, from all reports, is being endured by the people who have been made homeless in the Po valley area. I am sure also that the house will fully approve the decision to help the Red Cross in getting these supplies to the scene of the tragedy by the quickest possible means.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I feel sure that the Prime Minister has correctly interpreted the sentiments of the house, and that all hon. members will welcome the steps that are being taken. We ourselves had occasion to have some understanding of what it means to see positive evidence of sympathy and support at the time of the floods in this country last year. Above and beyond the importance of the articles themselves—and they are extremely important, particularly in a country like Italy where they have not the supplies available that we have—I feel sure that this gesture will give these people heart at a time when they must be suffering in spirit as well as physically.

CAPITAL COST ALLOWANCES

TABLING OF ORDER IN COUNCIL AMENDING REGULATIONS WITH RESPECT TO DEFERMENT

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I desire to place on the table two copies of order in council P.C. 6384, dated November 27, 1951, amending the regulations with respect to deferred capital cost allowances.

The change in the regulations is designed to provide further relief in cases where a genuine commitment has been made before April 11, 1951. Hon. members will recall that on June 28, 1951, I advised this house that partial relief was being granted with respect to properties in existence on April 10, 1951, and acquired by bequest or inheritance, properties transferred between taxpayers who were not dealing at arm's length, and properties taken over when the whole of a business was acquired in a deal at arm's length.

Order in council P.C. 6384 goes further and grants relief in respect of properties in existence, under construction, or under contract, as of April 10, 1951, provided the taxpayer can establish that he had entered into a genuine commitment which he was obligated to abide by.

Briefly, the amendment in order in council P.C. 6384 authorizes the Minister of Trade and Commerce to grant a certificate of eligibility in three types of cases for property acquired after April 10, 1951, for which a commitment had been made before that date.

First, in the case of new structures, properties are eligible provided the taxpayer can prove that he had entered into a contract with a contractor for the construction of a structure before April 11, 1951, according to plans and specifications adopted before that

date, and provided that the structure is completed before April 1, 1953. This covers, therefore, the case of a project already under construction on April 10, 1951, and the case where no construction has commenced but a legally binding contract exists between a taxpayer and a contractor, and provided there is available a set of plans and specifications adopted before April 11, 1951, by the taxpayer and forming a part or the full basis of the construction contract entered into between the taxpayer and the contractor.

The certificate will be granted after the property is acquired. One of the tests of a genuine contract in existence on April 10, 1951, will be the fact that the work on the structure will be undertaken and completed within a reasonable time. A period of two years has been considered as a reasonable time in the light of present and foreseeable supply conditions. This explains the provision requiring completion of construction before April 1, 1953. Therefore a taxpayer who has a valid contract as of April 10, 1951, but who has decided to postpone construction for say two years, would not be eligible for a certificate, since the purpose of the amendment is to provide relief to those who not only have a contract but who have also either commenced construction before April 11, 1951, or were obliged to do so, within a short time after that date.

Some new structures are erected by owner builders, that is, without employing a contractor, and in such cases there would be no contract in existence as of April 10, 1951. The amendment to the regulations also grants relief in such cases, provided the taxpayer can prove that construction was commenced prior to April 11, 1951, and completed before April 1, 1953, according to plans and specifications adopted by the applicant prior to April 11, 1951.

The second group of properties covers structures completed before April 11, 1951. In such cases a certificate of eligibility will be granted if the taxpayer can prove that he was obligated to acquire a property under the terms of a contract entered into prior to April 11, 1951. The emphasis is on "obligated to acquire". Therefore an option which gave a potential purchaser a right to acquire property without obligating him to acquire it would not be accepted as a binding contract under the regulations.

The third group covers mainly machinery and equipment, both new and old. In such cases certificates of eligibility will be granted if the applicant can prove that he was obligated to acquire the items involved under the terms of a contract entered into prior to April 11, 1951. There is no date set as to time delivery has to take place, because it has been presented to us that in some cases of complicated pieces of equipment which are made to order and according to specifications set out by the purchaser, the period required to complete the equipment might involve several years. As with regard to structures, a certificate will be issued only after the property has been acquired by the taxpayer.

These amendments will take care of the bulk of genuine commitments made as of April 10, 1951. Thus in the case of a new project where a construction contract had been let and some of the machinery and equipment had been ordered, this part of the project would be eligible for a certificate provided the various conditions as set out in order in council P.C. 6384 were fulfilled. Not eligible would be the machinery and equipment ordered after April 10, 1951, or any substantial changes in or additions to the structure beyond what had been provided in the plans and specifications drawn up and adopted by the taxpayer before April 11, 1951. As I remarked to this house on June 28, we may not be able to take care of everything for which a taxpayer could make a case for relief, but we have gone a long way to grant relief where the taxpayer had no option but to carry out commitments made before April 11, 1951.

I should like to emphasize that the relief granted under the order in council tabled today applies to industries not otherwise qualified for a certificate of eligibility.

Just before closing, hon. members may be interested in a brief statement about the progress of administering deferred capital cost allowance provisions.

Between April 11, 1951, and November 16, 1951, 928 applications for certificates of eligibility have been received. Of these, 342 have been approved, involving capital expenditures of $269·9 million. Projects approved include properties acquired by defence and defence-supporting industries, under subsection 5 of section 1107 of the income tax regulations, properties acquired by basic industries required for the carrying out of their business as provided for under subsection 6, and properties acquired by bequest or inheritance, properties transferred between taxpayers who were not dealing at arm's length, and properties taken over when the whole of a business was acquired in a deal at arm's length, as provided for under subsection 8.

Certificates have been denied for 175 applications, involving $27·7 million. The remaining 411 applications are pending, and these

include many applications which will probably qualify for the issuance of a certificate under the amended regulations announced today.

Of course the impact of the provisions is not fully reflected in the figures I have given, for two reasons. First, there will be many cases where the taxpayer has not applied for a certificate of eligibility because his project clearly does not comply with the exceptions that can be granted under the regulations. Secondly, there are many cases where businessmen have decided to postpone capital projects and they would therefore have no cause to apply for a certificate.

A list of the cases for which certificates of eligibility have been issued has been published in the Canada *Gazette* of July 21, 1951, and September 22, 1951, covering all applications approved from April 11, 1951, up to and including September 15, 1951. The names of applicants to whom certificates have been issued since September 15 up to the present will be published shortly in the Canada *Gazette*.

Mr. J. M. Macdonnell (Greenwood): May I ask the minister a question? Notwithstanding the statement the minister has made showing a large percentage of permits that have been granted, does the minister think that the deterrent which was continued in the act of last April has been a very effective one and is effective still?

Mr. Howe: My own opinion is that it has been a very effective deterrent. The amount of new private construction has been materially reduced since this provision came into effect.

Mr. H. A. Hosking (Wellington South): Will the minister tell us whether he has given any consideration to having this four-year period start from the date of April 11, 1951, rather than running for a four-year period from the start of the contract? Many of the larger concerns are speculating whether this will be dropped if conditions change. I wonder whether the minister would be prepared to make a statement regarding the advisability of setting a closing date five years from April 11, 1951, rather than a four-year period from the starting date of the contract?

Mr. Howe: I would be glad to have the statement of my hon. friend examined as it is reported in *Hansard*, and, after consulting with my officials, I will make a statement.

Inquiries of the Ministry

INDUSTRIAL RELATIONS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Bryce be substituted for that of Mr. MacInnis on the select standing committee on industrial relations.

Motion agreed to.

JUDGES ACT

INCREASE IN NUMBER OF COUNTY COURT JUDGES IN BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, to increase the number of county court judges in British Columbia from fourteen to fifteen.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

OLD AGE SECURITY

PROOF OF AGE—QUESTION AS TO USE OF CENSUS RECORDS

On the orders of the day:

Mr. L. O. Breithaupt (Waterloo North): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Minister of Trade and Commerce. My question has to do with proof of age for old age pension applicants, some of whom are having great difficulty in establishing proof of age.

Is the bureau of statistics in a position to assist old age pension applicants to establish their age for the purpose of the act, when other forms of proof of age, such as birth certificates, baptismal certificates and the like, are unavailable? If the bureau is in a position to assist in this connection, would the minister please state the procedure to be adopted by the applicant.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I believe my parliamentary assistant has been looking into the matter, and I would ask him to give the answer.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, in answer to the question of the hon. member for Waterloo North I would say that under section 15 of the Statistics Act no individual return and no part of an individual return made for the purpose of the Statistics Act can, without the previous consent in writing of the person making the return, be

given or published. However, in cases where the person making a census return completes a form authorizing the dominion statistician to furnish information from the census records as to age in the event that other proof of age is not available, the practice is for the bureau of statistics to supply the information in the census records for purposes of verifying the age as submitted to the old age security and old age assistance administrations.

Applicants for old age security, that is to say those over seventy years of age, who come under the terms of the federal Old Age Security Act, should apply in the usual manner directly to the regional director of old age security in the capital of the province of residence. Those 65 to 69 years of age should apply to the appropriate office in the province of residence charged with the administration of old age assistance.

Hon. members will notice that in no case can information be given except on the request in writing of the applicant. However, forms of request for search for this information as to age are available in the old age security regional offices.

Mr. Gordon Graydon (Peel): Mr. Speaker, may I ask the Minister of National Health and Welfare whether, when the original forms for universal pensions were being formulated, consideration was given to including an authorization by the applicant to search census records.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, if I understand my hon. friend's question correctly he is asking whether, when we prepared the forms of application, we gave consideration to the further use of census records. My hon. friend will realize I am sure that that could not be done, because the law at that time did not permit our doing so. We have secured legislative authority under the Old Age Security Act.

My hon. friend may be interested to know that the progress of applications, to date, is such that I may say to the house that, from present indications, we expect to arrive by December 31 at a total of some 685,000, which is not very far from the theoretical total of from 695,000 to 700,000, as we estimated. We have since learned that the population of Canada is 13,900,000 instead of 14,200,000; so that it appears that our original estimate was slightly in excess, and likewise the estimate made by the parliamentary committee. As I said a few days ago, there has been no undue difficulty. Rather, very efficient operation is being experienced in connection with the applications received and the processing in connection therewith.

[Mr. McIlraith.]

[*Later:*]

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker—

Some hon. Members: Oh, oh.

Mrs. Fairclough: I take it that that is for my persistence. I should like to address a question to the Minister of National Health and Welfare following the answer made by the parliamentary assistant with reference to dominion bureau of statistics records. Which census records, the 1921 or the 1931, will be accepted by the Department of National Health and Welfare? As the residence requirement is twenty years, will the department accept the 1931 records?

Hon. Paul Martin (Minister of National Health and Welfare): May I say to the hon. gentleman at once—

Some hon. Members: Oh, oh.

Mr. Martin: May I say to the hon. gentlemen at once that the reason for the applause when she rose was not her persistence but because of her quite apparent charm. The figure will be 1921 or earlier.

IRRIGATION

SOUTH SASKATCHEWAN RIVER PROJECT—REQUEST FOR REPORT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, has a report been received from the commission looking into the South Saskatchewan river scheme? If so, will it be tabled?

Right Hon. L. S. St. Laurent (Prime Minister): No report has yet been received, but I can assure the hon. member that just as soon as it is received or available it will be made public.

EDUCATION

GRANTS TO UNIVERSITIES—METHOD OF DISTRIBUTION

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I should like to ask the Prime Minister a question, arising from an answer tabled yesterday. Will he state the reasons for delay in the arrangements to pay authorized grants to universities; and may we hope that those grants may come soon?

Right Hon. L. S. St. Laurent (Prime Minister): I hope, as does the hon. member, that they can be made soon. The reason it has not yet been done is that we are still in correspondence with the premiers of the

Canadian provinces to carry out the recommendation of the royal commission that this grant be apportioned after consultation with the provincial governments, in view of their jurisdiction over educational matters. That correspondence has been in process for several weeks, and I hope we are nearing the point where a preliminary distribution may be made.

I may say we have been considering making a grant that would be perhaps approximately 40 per cent or 50 per cent of what might be expected to be paid, even before we get a final determination as to the exact figures with respect to each province and each institution. We do appreciate that they are anxious to receive this aid, and to make good use of it, as we know they will.

Mr. George A. Drew (Leader of the Opposition): I should like to ask a supplementary question. As I understand it, those payments are to be made direct to the provincial governments, and not direct to the universities.

Mr. St. Laurent: No; if the hon. member will look at the item in the estimates he will see that the grant was one of $7,100,000 to authorize grants to the universities and institutions providing university education. I am afraid we would have some pretty scorching comment in the report of the Auditor General if we did anything different from what is provided in the terms of the vote authorized by parliament.

Mr. Drew: Then do I understand that the payment will be made as a result of direct applications by the universities to the dominion government, or will this be handled through provincial governments?

Mr. St. Laurent: What has been done up to the present time has been to get, as provided by the vote, advice from the Canadian university council, and on that advice a tabulation has been made and has been communicated to each of the provincial governments, with information as to the advice we have received, and with the request to them for their comments as to whether or not it appears to them to be in order.

[*Later*]:

INQUIRY AS TO REQUEST FOR FEDERAL AID TO GENERAL EDUCATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a supplementary question to the Prime Minister? Has the government received from the Winnipeg school board, and perhaps from others, a request that consideration be given to extending federal aid to education generally? Is consideration being given to this question?

Right Hon. L. S. St. Laurent (Prime Minister): I do not know that any such representations have been received. While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

ROYAL CANADIAN NAVY

"JOSEPH C. CYR"—DEPORTATION TO THE UNITED STATES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I should like to ask one of the parliamentary assistants to the Minister of National Defence for a statement concerning the so-called Surgeon Lieutenant Joseph C. Cyr, who served as surgeon with the Royal Canadian Navy in Korean waters, and has now been discharged and deported to the United States under the name Ferdinand Waldo Demara. I should like to know particularly whether he is really someone else again, and what qualifications he has as a surgeon.

Mr. R. O. Campney (Parliamentary Assistant to the Minister of National Defence): The hon. member was good enough to give me notice of his question a short time ago, but in the intervening time I have not had an opportunity to prepare a statement which might clear up the matter. I shall be glad to take his question as notice.

Mr. Graydon: Consult Dr. McCann.

KOREA

INQUIRY AS TO TREATMENT OF RETURNING VETERANS ON TROOPSHIP "J. P. MARTINEZ"

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): May I address a question to the parliamentary assistant to the Minister of National Defence. Has the Department of National Defence investigated the charge appearing in the press of yesterday that Canadian veterans of the Korean war returning to Canada on the troopship *J. P. Martinez* were allowed only two meals a day—very small ones at that—and were also made to paint the ship?

Mr. R. O. Campney (Parliamentary Assistant to the Minister of National Defence): I will take the hon. member's question as notice.

Inquiries of the Ministry

WHEAT

MARKETING SITUATION AND AVAILABILITY OF CARS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce regarding the wheat marketing situation on the prairies and whether consideration will be given to making available to those farmers who have not as yet marketed the six bushel quota that was fixed originally sufficient cars for the transportation of their wheat. Is the minister in a position to give a general statement regarding the marketing situation and the availability of cars?

Right Hon. C. D. Howe (Minister of Trade and Commerce): About a week ago a circular went out from the wheat board to the effect that pressure for deliveries at Fort William had ceased and that henceforth priority would be given to congested points that have not been able to deliver their full quota and particularly to the shipment of damp grain. In other words, damp grain would be given priority over dry grain from such points. At the same time the transport controller ordered the railroads to give special priority to points in the province of Saskatchewan where congestion was apparent. From this time on an attempt will be made to correct all situations of the kind referred to by my hon. friend.

Next Monday and Tuesday I am meeting with the wheat board, the transport controller and the board of grain commissioners in Winnipeg for a two-day session to assess the transportation problem for the rest of the year and to lay plans for improving the situation in the best possible way. I hope that after that a more definite program can be announced.

Mr. Diefenbaker: I thank the minister for that statement.

POST OFFICE

INQUIRY AS TO DISPOSITION OF POINTS RAISED BY POSTAL EMPLOYEES

On the orders of the day:

Mr. J. W. Noseworthy (York South): Will the Postmaster General tell the house what disposition he has made of the eight points raised by the postal employees at their meeting on June 24, 1951, and which he told the house would have to be taken up by the government before an announcement could be made.

Hon. Edouard Rinfret (Postmaster General): I gave the employees' association an answer in writing some time ago, which no doubt the hon. member has seen.

[Mr. Campney.]

NORTH ATLANTIC TREATY

INFRASTRUCTURE AGREEMENT—DIVISION OF ESTIMATED COSTS AND EXPENDITURES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister in the absence of the Secretary of State for External Affairs (Mr. Pearson), which he may prefer to treat as a notice. Is the government prepared to table what has been described as the infrastructure agreement which was entered into by the members of the North Atlantic Treaty council in Ottawa in September, or, in the alternative, to furnish details of the total figures of the estimated costs of their joint requirements and the division of that cost among the twelve countries along with the proportion of the expenditures to be borne by each of the twelve nations?

Right Hon. L. S. St. Laurent (Prime Minister): I shall have to take that question as a notice. The hon. member will appreciate that I shall have to communicate with the NATO council because it is understood that any information about their decisions has to be authorized by the council. I shall be glad to make available to the house all the information that can be published.

HOUSING

FINANCING OF HOUSES FOR DEFENCE WORKERS

On the orders of the day:

Mr. J. W. Noseworthy (York South): Will the Minister of Resources and Development tell the house whether the lending institutions have accepted the government policy for financing houses for defence workers which he indicated to the house on November 5 was then under discussion with the lending institutions?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, the lending institutions are not joining with the government in arrangements for the building of houses for defence workers, but they have agreed to participate in joint loans which are available on the 80 per cent basis announced to the house some time ago.

FINANCIAL ADMINISTRATION

PROVISION FOR CONSOLIDATION AND REVISION OF CERTAIN ACTS, AUDIT OF PUBLIC ACCOUNTS, FINANCIAL CONTROL OF CROWN CORPORATIONS, ETC.

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 25, to provide for the financial administration of the government of Canada, the audit

of the public accounts and the financial control of crown corporations.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I think we will all agree that this measure is of great importance. People are inclined to say that finance is dull, but unless we manage our financial affairs pretty well they may become rather exciting before we go very far. People are becoming more tax conscious and one hears quite fervent statements made from time to time in private, even about so genial a person as the Minister of Finance (Mr. Abbott) who is associated with these high taxes.

Broadly speaking, I think this is a measure which we should consider with the greatest care. It is very hard of course to be as realistic in managing the affairs of the public as in managing the affairs of a private business. In the case of the private business there is an acid test facing you every day. You have to be on the right side in respect of your business operations or you will come to an end. You will become bankrupt. That is not true, of course, in the case of the government. I am fond of a remark attributed to the late Sir Wilfrid Laurier when he was in the opposition. The minister of finance of that day was a man who had been the head of a business, and he and Sir Wilfrid were great personal friends. Sir Wilfrid said to the minister of finance: Mr. So and So, I observe that you are very worried about your position. You are worried about matters which are under your charge. You are worried about the position of the public finances. Of course it is right that you should take your work seriously but do not worry too much. Of course when you were in business you had to worry because if you did not show a profit your business would be liquidated, but a government can stand an awful lot of ruin, and I would not worry too much. If you do too badly we will defeat you and come back into power and take over things again ourselves.

No doubt that was a comforting reflection and it reminds us of the different test which exists. After all, no government is bankrupt, no government can fail to pay its way, as long as there is a taxpayer from whom it can take a single dollar more. As long as the taxpayer has money in his pocket the government can take it away from him. Therefore there is that great difference, and it is hard for us to bring the same measure of scrutiny. It is an odd thing to say—perhaps it is because of the huge amounts with which we now deal—but if one reads the debates of thirty, forty, fifty or more years ago, one finds that they took money matters very seriously. I suppose their own affairs were carried on in a small way. I remember reading a budget debate—I have forgotten whether it was Mr. Fielding's budget being criticized by Sir George Foster or vice versa, but at any rate the minister of finance, whoever he was, had produced a very small surplus. It was a matter of a few thousand dollars and the financial critic of that day, using language which we really would not dream of using now, denied that there was any surplus. He said if there was it had been produced by fraud and misrepresentation.

I do not know where the libel laws were. Of course they could not affect him in the House of Commons, but they did let themselves go in those days, and perhaps we are becoming too soft. I do not know how that may be, but at any rate they debated for a whole summer afternoon about these few thousand dollars, and as I say they used words to each other which have now passed out of usage in the house altogether except among some of our brighter spirits who are not really encouraged to let themselves go, as I think perhaps they might. However, as I say, today it is hard for us to concern ourselves about small amounts or even about large amounts. We have come to talk in billions. There is a phrase which has been so often quoted that I quote it now with apology. It has now passed into the language and I quote it without even trying to remember who it was who said it. This phrase—"What's a million?"—has of course passed into the language of this house and we must not suggest that it is the peculiar property of anybody. It is in the air, Mr. Speaker, and we must all perhaps plead a bit guilty to it.

At any rate I come now to consider for a moment one aspect which has become so familiar to us, the matter of surpluses. The gentlemen to whom I have referred argued for a whole summer afternoon about a few thousand dollars. Now we have passed into the hundreds of millions, and indeed I suppose we have passed into an age when I can quite imagine that some of the younger people in the finance department can hardly conceive of a world where there would be deficits instead of surpluses. I was told the other day by a man in the retail trade in a large way that the same thing has happened in business too. He said: You know, in our business some of the younger buyers have had quite a lesson lately. They have found out that it does not always happen that you buy things, mark them up and sell them at a nice profit. They have found out that sometimes you buy things, mark them down and sell them at a loss. He said that it had been very good for them to find that out and that they are setting out now to do better buying and to carry on their business in a better way.

Unless the present boom is going to be different from all other booms, which no sensible man hopes or believes, and is going to go on forever—and of course we should remind ourselves it has always been a characteristic of booms that while they were on people thought they were going to last forever—one day we may find that such a thing as a deficit does exist. Therefore we should welcome this measure, the purpose of which is to try to enable us to carry on our own business better.

I do not propose to take the time of the house to go into a lot of details. I understand this measure will be referred to a committee and I merely wish to raise a few points of principle which I think are important and which I hope will be seriously considered by the committee if and when this measure reaches it.

First of all I should like to say a word about the powers being given to the treasury board. I observe that a good deal of detailed powers are being given to the treasury board, and by and large it would seem to me that is very wise. So far as my research, which has been limited, has gone, I would say that a good many of the powers that are being given to the treasury board are going to relieve the governor in council of details and that it is a wise delegation. However, I think there is one thing which should be borne in mind. In handing powers to the treasury board caution should be exercised in superseding the jurisdiction of other public bodies. That no doubt is a difficult problem, and I shall give one illustration of the kind of thing I have in mind. I observe that section 7, subsection (d), paragraph (i), reads as follows:

> The treasury board may make regulations
> (d) notwithstanding the Civil Service Act,
> (i) authorizing the payment to persons in the public service of compensation or other rewards for inventions or practical suggestions for improvements.

Then there is a further paragraph which speaks about reimbursement for travelling or other expenses. I am not going to pause on that. There are details there which I think could be gone into, but I am just raising this question. Here is what looks like a somewhat important invasion of the powers of the civil service. It may be wise or unwise, but I venture to sound a note of caution there.

I go on now to comment with respect to section 22, again raising the question of powers, although this is a somewhat different power. This is the power of the governor in council. The section reads:

> The governor in council, on the recommendation of the treasury board, whenever he considers it in the public interest, may remit any tax, fee or penalty.

Further on it is provided in the same section that when that is done a statement of each remission of $1,000 or more granted under this section shall be reported to the House of Commons in the public accounts. We all know that things reported in the public accounts come many months afterwards and that it is not as effective a means of reporting as we would like. I take this occasion to raise that as something which I think the committee might very well consider.

I come back again to the treasury board and I refer to section 5 under which the treasury board is to assist in budgeting and other things, and I pause to say just a word about budgeting.

I was interested in reading a book entitled "Financing Canadian Government" by A. E. Buck. He has many interesting things to say, and incidentally I ran across a figure he gave as to the extent of the accuracy of budgeting in Great Britain where, according to him, they arrive at an accuracy of something like 2·5 per cent. I am not going to make a comparison with our own, because the circumstances are somewhat different. But frankly when we consider what has been going on it is hard to believe that our budgeting is dealt with as it should be. Sometimes one finds it hard to understand how serious men can go so far wrong. Sometimes one wonders, after several years of being so wrong, that they would have been able to know how great an error to make in order to be right. It reminds me of the old quip in *Punch*—one of the many criticisms of the London telephone service. A customer calls up central and says, "What wrong number must I call in order to get London Wall 6677?" It ought to be possible for this government, with these gigantic mistakes which are made year after year, to say we are going to be $500 million wrong or $700 million wrong and correct their estimate accordingly.

At any rate, I would have thought it would have been possible, by guess and by God—no, no, by calculation of past errors—to know how great an error to make. I do not want to press that farther, and I do want to recognize that part of the bad budgeting has been due to increased inflation. What has been often said here before, of course, is that increased inflation is partly due to bad budgeting. We know the argument. If you take much more than you need it sends up

prices, which sends up receipts, and you have this spiral going on and on. I repeat what I have said before, that we could stand this better if there was any sign of repentance; but all we have is a continuing sense of self-satisfaction. Perhaps the greatest irritation of all is that we are expected to accept as a complete answer, "Well, we used the money to pay off the debt." I do not suppose anyone thinks they stole the money. You could not do so even if you tried. It is not that we do not want to pay off the debt. Of course, we want to do that; but we do not want to blunder into it, we want to plan it.

I go on to the next section, which is under public stores. On a cursory reading, which was all I had time to do, it would appear as if we were going to have a kind of super-revolving fund. The other day we had a little experience with revolving funds, and the relations between the various government departments seemed rather casual and loose. It was almost a case of the right hand not knowing what the left hand doeth. In this connection I suggest it would be well for the committee to have a close look at these revolving funds.

I should like to say a word about crown corporations. Here we have a real problem because on the one hand we must give adequate power and adequate discretion to those who are carrying on business like any other corporation—Polymer is an example. On the other hand, we must somehow or other retain adequate control in this parliament. It is a curious irony that most of the crown corporations come under the Minister of Trade and Commerce (Mr. Howe). He is a man of many devices. So far as I can see he apparently manages to be both a private ownership man and a convinced public ownership man at the same time, and without any split personality. But after all, there is perhaps quite a simple explanation of that. The contradiction is only superficial, because when he was describing the operations of Polymer in this house on a certain day, the member for Rosetown-Biggar (Mr. Coldwell), after listening to his very satisfactory report, said to the minister "a pretty good recommendation for public enterprise". The Minister of Trade and Commerce gave an answer which I really think should, in some way or other, be immortalized. He said "This is different. This is my enterprise."

Of course it is natural that under the present Minister of Trade and Commerce these corporations should go on pretty strongly under their own steam. This may raise a question for the future. I often wonder in my own heart whether the Minister of Trade and Commerce could honestly in his heart advocate that such wide powers as he has had should be given to anyone else. I would think he would have grave doubts about that. However that may be, there they are. They have been very unusual, and I think this may well raise a question in the future.

One other question which arises in connection with crown corporations is the question of the relationship of the Auditor General to their operations. Section 77 says that the Auditor General is "eligible" to be appointed the auditor or a joint auditor of a crown corporation. Actually, he may be eligible; he may have passed the qualifying round, but he has not very often won a prize because he has not been very popular as auditor to crown corporations. I have the names of some, which I am going to mention, for whom he is not the auditor. I am not willing to press this point unduly because there may be certain cases where, by reason of the size of the corporation and the ramifications of its operations, the Auditor General might have to enlarge his staff to do one particular job, and that would throw him out of balance. I am not dogmatizing on this, I am just raising the point. When I find companies like the Industrial Development Bank and the board recently set up under the Agricultural Products Marketing Act are not put under the Auditor General's supervision, I think it is a matter the committee should investigate. I believe the committee should be thoroughly satisfied as to what the policy is, and the reasons for it.

I want to say a word, and I think this will be my last point, about part VI of the act which deals with the whole manner of setting up the public accounts. Looking back, it is not possible to reach any other conclusion than that our method of dealing with our public accounts was like Topsy and just "grow'd". It was not according to a plan but was compromise piled on compromise. I know I am correct in saying that more than once in this house the Minister of Trade and Commerce has remarked about our method of public accounting. I am not quoting now, but I think it is a fair interpretation to say that he expressed the opinion that our method of public accounting is not like that of any private corporation, that we just take nearly everything that comes in and call that income, and we call everything that goes out expenditures. We do not take the trouble to distinguish between what is truly capital and what is truly income.

An ex-minister of finance used a somewhat different phrase when he called it the bridge

score method of accounting with so much below and so much above the line. I do not want anyone to cross-examine me on what that means, because when I play bridge it causes a panic and therefore I do not play. I am merely quoting from an ex-minister of finance.

I just want to say a word about this capital and revenue being tossed in together. In the early days of confederation there was a plausible phrase, "capital expenditure" which got them out of a whole lot of trouble. When there was a depression the finance ministers were inclined to make really quite unwarrantable charges to capital expenditure. Indeed one finance minister is reported to have swollen his revenues and reduced his outlays by judicious use of this phrase "capital expenditure". For example, railway subsidies were for a long time regularly charged to capital account.

We have made improvements since that time, but I am going to add a query in a moment or two because, as I understand it, there is nothing that I can discover in this legislation which really suggests any change in principle as to our method of keeping our accounts. I am somewhat surprised and disappointed that that is so. I am not overlooking the fact that there have been certain changes of technique which I think indicate more clearly what is capital and what is revenue. But nevertheless my understanding and information is that when we say that Canada has a surplus or deficit of so much, that is arrived at by pouring into one pot indiscriminately capital and revenue items of income; and the same is true with respect to the outgo. To me that seems to be an extremely unfortunate situation. It may be that the difficulties of making a change are almost overwhelming but it seems to me, to put it mildly, to be extremely unfortunate.

I also want to indicate that the Auditor General has certain questions to raise about that matter. I wish to read briefly from what he said in 1949 and again in 1950. From 1949 I will read first of all paragraph 1 and next paragraph 3 of his report. Paragraph 1:

> In 1947 the public accounts committee recommended that the Consolidated Revenue and Audit Act, 1931, be revised to the end that present day operations are suitably regulated. A needed improvement, for example, is that a statement of assets and liabilities incorporate those of corporate bodies as well as those of the government. The present balance sheet may not be regarded as presenting complete disclosure of the situation.

I read further from section 3 in which he gave more details. After referring to certain improvements he said:

> Desirable as are the improvements made, they may not be regarded as more than steps towards recasting the balance sheet to the end that it portrays, in summarized form, the year-end financial position. To illustrate, the statement does not take notice of assets and liabilities of the custodian of enemy property; nor does it reflect all cash and securities holdings of corporate instrumentalities. For example, the national harbours board held $25,600,000 of securities at the year-end and the Canadian Broadcasting Corporation had over $1,500,000; neither of these totals is included in the schedule of current assets.

I could read further in this section but it is not necessary. That will show the point which the Auditor General makes. I wish to read one short section from his report of 1950. It is paragraph 79:

> There is need for statutory definitions of "liabilities" and "assets" for the purpose of (c).

And (c) is as follows:

> Such other accounts and matters as are required to show what the liabilities and assets of Canada are at the date of such statement.

To continue:

> From the accounting viewpoint, it is inconsistent to ignore, for example, inventories of consumable stores, accounts receivable and moneys held in various corporate and other special accounts, while various non-current loans are treated as assets up to their face value. So far as the liabilities of the government are concerned, the correctness of balances in various liability accounts is not established.

If a statement of that kind were made about the accounts of a private corporation, probably somebody would go to jail for it. But we must not allow ourselves to get excited about that, because we must recognize the different background. Nevertheless, these are important matters brought to our attention by our own special financial guide, philosopher and friend, you might say. I refer to the Auditor General, who represents this house, who is independent of the government and who brings these serious matters to our attention. I hope that these matters will be given by the committee the serious consideration which they deserve.

As I said at the outset, we should not assume that we are going on forever to have surpluses which are easy to come by. We should assume that our affairs need to be managed in the best possible manner at all times. Indeed, we need not look to the future. We can see it this very week. It has often been said—I heard it said in this house yesterday; and when the parliamentary assistant says it, from the point of view that he is making the statement, it is perfectly correct to say it—that our troubles are caused by an excess of money. That statement sounds terribly ironical to all people who do not find that they have any excess of money. Of course the difficulty of it all is that when you have the stream of money growing, it does not fertilize every family

to the same extent. Therefore the inequalities become greater and greater; and therefore the irony of being told that there is too much money is, to the large percentage of the population, a bitter one.

Without enlarging further on that at the moment, I just come back and say that this matter is of great importance. I hope the committee will treat it so; and in particular I hope the committee, the public—so far as one's words can reach them—and those particularly who concern themselves in these matters, will searchingly ask whether the time has not now come when we are going to approach as nearly as possible to the situation which the Minister of Trade and Commerce (Mr. Howe) has often told us we are not in, namely that of having a business-like balance sheet. We may as well face the fact.

It has been pointed out to us that this act has been on the statute books for a long time. The one that we pass today is likely to stay on the statute books for a long time. For that reason among others I hope that the committee will do a serious job. Incidentally I hope that there will not be any rush. I hope that the committee will not be cut off with sort of short notice before its work can be done. Even if this work had to go over to the next session, it seems to me that it is a matter of sufficient importance to warrant it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the debate on this measure is not likely to be put into book form and be published as a thrilling best seller. But as the previous speaker has indicated, the measure deals with an important subject. As has been pointed out on previous occasions, it deals with the whole question of the control of governmental finances, and it deals with the question of parliamentary control over the government so far as its financial operations are concerned. When one realizes the scope of the bill, going into that field as it does, he cannot but recognize that it is an exceedingly important measure.

I submit that it has always been a matter of great importance to any democratic country that the finances of the government should be on a proper basis and under strict parliamentary control. I submit further that the need for complete parliamentary control and the need for confidence on the part of the people that financial matters are being handled properly will increase as time goes on. One of the reasons that I believe that need will increase is that, as I see it, the part that governments will play in the financial and economic affairs of our country will continue to increase with the passing of the years.

There are those in this house who want that to come. Some of us feel that it is a part of the democratic process; that the whole of our financial and economic life is something over which the people should have more and more control in the name of democracy. There are others in this house who do not particularly desire that we move in that direction, but even they admit that we are doing so and the likelihood is that federal budgets will be larger in the years that lie ahead than they are now, and as we contemplate that fact it does make it imperative that we plan our financial administration on the best possible basis.

As a government we are getting more and more into economic fields. We are getting into various branches of production; we are extending our part in the field of social security and we are being called upon as a federal government to concern ourselves with the economic and financial needs of our people in many ways. In fact, if I may say so in passing, despite the off-the-cuff answer that the Prime Minister (Mr. St. Laurent) gave me on the orders of the day this afternoon, I submit that the day will come when the federal government will have to pay more attention to the needs of education generally throughout the country. There is no question but that that could be done without infringing upon the provincial jurisdiction over education, and I submit that the day of federal financial aid to education will come, for come it must.

With such thoughts in mind I emphasize the need for the best possible control over governmental finances. That means that there must be ways and means of achieving economy in a huge set-up such as this. It also means that our statutory provisions for appropriating and expending money, as well as accounting for it, must be very complete. The government of Canada has had many years of experience in this field, and it has had the advice of able men in the Department of Finance and the Auditor General. Thus it is no surprise that there has been placed before parliament at this time a bill that does seem to be an improvement on the legislation that we have had in the past. I welcome the bill, and I am glad too that it is going to be presented to a committee, the committee on public accounts, to deal with. I support the suggestion just made by the hon. member for Greenwood (Mr. Macdonnell) that that committee should not be rushed. Frankly, I do not know when it is going to get time and where it is going to get the necessary staff to do any of this work at this session, in view of the large number of committees now

meeting almost every morning and every afternoon. At any rate, I hope that it will be given sufficient time, whether at this session or at the session that begins in 1952, to do a complete and proper job on this very important measure.

I have already had the opportunity, Mr. Speaker, to say things in connection with this bill on two or three different occasions, and it is not my purpose today to repeat any of the things that I said on those previous occasions, or to go into the matters that I have already discussed. Indeed, the more I look at this bill the more I realize the wide number of subjects that come under its provisions. In passing, however, I would like to say that I certainly pricked up my ears when the hon. member for Greenwood began to refer to section 7 of the bill. The reason I did prick up my ears was that on a previous occasion I had expressed approval of this new section 7, because it makes possible the introduction of a suggestion system into our civil service such as the one that is in operation in the United States. When we were at an earlier stage of this debate I placed upon the record statements and certain tables showing the tremendous monetary savings that have been effected in the United States because of the use of the suggestion system, which has been in effect down there for the last four or five years. I earnestly hope that that system, or one like it, will be put into operation in this country. However, I must say to the hon. member for Greenwood that as he dealt with section 7 I realized that he was not speaking unfavourably of that part of section 7; rather, he was concerned with the latter part which has to do with payment of travelling expenses to civil servants notwithstanding the provisions of the Civil Service Act. The point is that he glossed over section 7, (d), (i), and I hope it is significant that he glossed over it. I hope it means that he supports the type of suggestion that I have been making which, in the United States, has resulted in the saving of many millions of dollars during the past few years.

However, Mr. Speaker, as I said a moment ago, it was not my intention on this occasion to say anything more about aspects of this whole question on which I have spoken at earlier stages. Rather, there is yet another phase of our financial administration about which I should like to say something at this time. It arises, as did some of the other comments that I have made earlier, out of the fact that the Auditor General across the years has made a number of suggestions. I am quite ready to say that the government has accepted some of these suggestions and has incorporated some of them in the bill now before us.

I would point out, indeed, that one of the suggestions made by the Auditor General, to which I called attention only last week, is implemented in part by a notice of motion in the name of the Secretary of State (Mr. Bradley), which is in *Votes and Proceedings* for yesterday. It is a notice to the effect that a bill is to be brought in amending the Civil Service Act with respect to the salaries of the civil service commissioners. For many years the salaries of the civil service commissioners have been made up in two parts: part (a) the amount set out in the statute and part (b) an item voted in the estimates year after year. The Auditor General has commented on that several times, and has suggested that vote texts that legislate are not desirable on a long-term basis. I have suggested on several occasions that that proposal of the Auditor General should be implemented by the government. The case of the civil service commissioners is but one example of that type of thing. I am glad to see that that change is being made, and I hope the government will go on implementing that suggestion of the Auditor General; that it will go through the estimates page by page and pick out all the items that are vote texts that legislate and which have been in there year after year and put them on a proper statutory basis, as the Auditor General has suggested.

The particular question that I want to speak about today is one that is a little awkward to deal with because it does concern some of the members of this house, namely, cabinet ministers; but it too has been the subject of comment by the Auditor General in some of his reports, and also in a letter which I have on my desk, which I received from him some time ago in answer to a letter that I wrote him. To describe it in technical language, the Auditor General frowns upon items that have a continuing effect, items in the Appropriation Act of any one year, on the basis of which payments are made in succeeding years as though they were statutory.

I must say that from my study of the matter it seems it cannot be said that such payments are illegal. That seems to be quite clear, but it is also clear—and so the Auditor General says—that it is hardly a desirable practice, and he makes a suggestion as to another way in which this matter could be handled.

The best way to deal with this is to tell the story, and to show how it works out in the case of the allowances paid to cabinet min-

isters for their cars. It so happens that back prior to 1931 instead of cabinet ministers getting the allowances they now get, they were provided with cars and chauffeurs. It appears that in 1931 Mr. Bennett, the then prime minister, as one of the economy measures he was putting into effect, decided that the providing of individual cars and chauffeurs to cabinet ministers should be done away with, and that in its place there should be provision of an annual allowance of $2,000. That was done by an item in the estimates for the year 1931, as set out in item 352 in the Appropriation Act, No. 5, 1931, which is chapter 61 of the statutes of that year.

Perhaps I should put this item on record so that the story will be complete. Item 352 of that year reads as follows:

> To provide for payment annually from the consolidated revenue fund of a sum of $2,000 to each minister of the crown charged with the administration of a department, the solicitor general, and the leader of the opposition, and the sum of $1,000 each to the Speaker of the Senate and the Speaker of the House of Commons, in lieu of motor cars and their maintenance, including chauffeurs, the acceptance of such sums not to vacate their respective seats in parliament; and to authorize the governor in council to appoint any person now employed in the public service as a chauffeur of a passenger automobile at Ottawa, whose position is abolished, to a vacant position in the public service, provided such chauffeur has been continuously employed as such for at least two years and that the appointment will be made at no higher remuneration than he is now receiving, $42,000.

What puzzled me, when I first learned about this, was that there has been in the Consolidated Revenue and Audit Act all along, and there has been carried forward into the financial administration act now before us, provisions which seem to me to make it impossible for continuing payments like that to be made.

There is in section 32 of the Consolidated Revenue and Audit Act the following provision:

> Balances of appropriations which remain unexpended at the end of a fiscal year shall lapse and be written off . . .

That same provision is being carried forward, although in somewhat expanded wording, as section 35 in the bill now before us.

Then, as section 23 of the Consolidated Revenue and Audit Act, we find this provision:

> All estimates of expenditures submitted to parliament shall be for the services coming in course of payment during the fiscal year.

And that same section is being carried forward as section 25 of the present bill. My feeling, as I studied this matter, was that it looks to me as though the estimates for any year must, by virtue of the section I have just read, be for moneys to be spent in that fiscal year, and that fiscal year only. It looks also from the section I read a moment ago as though any money remaining unexpended by the end of the year must lapse.

On the basis of this I have found it difficult to understand how that appropriation of $42,000 in 1931 could be the basis of continuing payments of $38,000, $40,000 or $44,000 a year, across the years, as has been done. I still cannot understand it. In all fairness I must admit that the Auditor General sees nothing illegal about it, and I understand the Department of Justice has gone into the matter.

The important point is that, in the estimates as we get them each year, motor car allowances to cabinet ministers are included with their salaries. They are not set out separately as items of $10,000 for salary and $2,000 for car allowance, but rather they are included together as $12,000, with the letter "S" appearing in the margin indicating that these amounts are statutory. There is no question about the $10,000 salary being statutory, because provision for that salary is made in an act of parliament passed in the usual manner. But the so-called statutory basis for the $2,000 is not found in any act stating that every cabinet minister shall receive this $2,000 every year, but rather is found as an item in the estimates for one year, a year long since passed, namely 1931; and the money voted for that year was expended long ago.

That is the way I feel about it, namely that it should not be paid on the basis of an estimate at all, but rather that it should be put into a statute, perhaps the Senate and House of Commons Act, or into the various statutes making provision for departments of government and for the salaries of cabinet ministers.

My contention is that, just as the Secretary of State (Mr. Bradley) has now given notice of a bill to clean up the confusion with respect to the salaries of the civil service commissioners, and just as other matters along that line which the Auditor General has suggested from time to time, are in process of being cleaned up, so the government should come along and clean this up, too. It should not go on year after year putting the letter "S" opposite this sum of money, because it cannot be pointed out to us in any statute that there is such a permanent or statutory provision as that letter "S" is supposed to indicate.

I know this matter has presented itself to the Prime Minister as a problem, because the last time new departments were created—that was in the fall of 1949—the question came up. On that occasion I asked him some

questions, and his reply was that the problem had presented itself to him and he had been informed that no provision for ministerial car allowances was necessary in the statutes setting up these new departments, because it was paid on the basis of this item in the estimates for 1931.

There was an exchange of views in the fall of 1949, and I made some further remarks on December 10 of that year, as they are set out at pages 3122 and 3123 of *Hansard*. Then after that I wrote to the Auditor General in the matter, because, as has been pointed out repeatedly, he is the servant of parliament, and each and every one of us has the right to take up with him any matter about which we may be concerned. In turn it is of course his obligation to answer any letters we submit to him.

I drew his attention to this whole question, and to the discussion we had had in the house. Mr. Sellar replied to me in a letter of December 14, 1949, of which I shall read a part:

Dear Mr. Knowles:

Replying to your letter of the 12th, may I say at the outset that perhaps I am not the best person to interpret vote 352 of 1931, because I drafted it.

That was the interesting comment with which Mr. Sellar began his letter. Then he proceeded to say:

I was then assistant deputy minister of finance, and as there was then no deputy minister in office, I was responsible for the routine in connection with the estimates book. The instructions were to prepare a "continuing" item and have the text approved by the then deputy minister of justice.

Apparently that was done, and the wording of that item was in the form I have already quoted from the Appropriation Act, No. 5, 1931. While what follows in this paragraph of the letter does not bear strictly on the point I raised, it indicates the way in which these items in the estimates can be used in a legislative way to provide something that was never intended. Please note that this is a letter from the man who drafted the item in question, and this is what he says:

Frankly I was surprised when, some years later, it was ruled that the latter part of the text provided authority to appoint one of the chauffeurs who, in the interval, had served as the private chauffeur of the then prime minister, Mr. Bennett. I was in sympathy with the appointment, but had assumed continuity of employment was an implied condition of the text.

The idea of the original item was that all the chauffeurs who were then driving ministers' cars, provided they had been employed for a certain length of time, were to be transferred to some other jobs in the government service. But it turned out that a man who was not so employed at the time, but who later became a chauffeur to Mr. Bennett, at a still later date was given another appointment on the basis of this item. The wording of the item seemed to be clear. The very man who drafted it expresses amazement at the use that was made of it. I mention this because it indicates the importance of careful drafting of items in the estimates and the obligation that rests upon the government not to take advantage of the wording that may be there or of the rulings which the Department of Justice may give. That is the plea I make with reference to this $2,000. I suggest that the government should not take advantage of the rulings that have been given that it is legal. The fact of the matter is that it has never been written into a permanent statute and I think it should be brought out into the open and dealt with. Let me go on and quote further from Mr. Sellar's letter where he says:

On several occasions I have expressed the opinion to the public accounts committee that legislating by the Appropriation Act has undesirable characteristics,—

That is the whole point of what I am talking about at this stage, that legislating by means of the appropriation acts has undesirable characteristics.

—and in the report of this office to the House of Commons a year ago I drew attention to the situation. See paras. 39-42 of the attached marked copy.

Mr. Sellar was referring to a copy of the Auditor General's report for 1947-48 which he sent to me with his letter. He goes on to say that more recently he had been informed that he might be called before the Senate and had prepared a memorandum. He sent me some portions of that memorandum which he expected to present to the Senate. Time has moved on since and he has appeared, not only before the Senate but before the public accounts committee of this house. All that was in that memorandum is now out in the open. Mr. Sellar goes on to say:

I assume from the discussion in the house that you are exploring the matter with the deputy minister of justice, therefore I will not discuss the question from the legal angle.

In other words, I have to say quite frankly, Mr. Sellar does not question the legality of this money being paid out, but he goes on to say, and this is important to us when we are discussing the whole financial set-up of the government and parliamentary control:

My official interest is that of preserving parliamentary control over the public purse.

I am sure that the parliamentary assistant will agree with me that that is the pith and substance of the bill now before us, the

necessity of maintaining parliamentary control over the public purse. Mr. Sellar continues:

For that reason, I entertain the view that much may be said in favour of annual appropriation acts segregating such votes and including a section providing for the expiration of the act on the 30th April.

One must realize that the Auditor General was writing to a private member of the House of Commons which means that he would be guarded and careful in what he said. That makes what he said most significant. In our correspondence the Auditor General and I were discussing the way in which this $2,000 item appears in the estimates. He says that his official interest is that of preserving parliamentary control over the public purse and for that reason he entertains the view that much may be said in favour of annual appropriation acts segregating such votes and including a section providing for the expiration of the act at the end of the fiscal year. If that were done it would mean that this whole business of a continuing item, of legislating for all time by including an item in the estimates of one year, would be done away with. We were discussing the principle of the $2,000. I contend that it was wrong in the first place to arrange for that payment for all time by having an item in the estimates of one year and then thereafter trying to tell us that that is statutory and therefore we cannot discuss it.

The Auditor General dealt with it, not only in his letter to me in the way in which I have quoted, but in his report for 1947-48, a copy of which he sent to me with his letter. In fact paragraphs 39 to 42 of that report constitute a subsection under the heading "legislating by appropriation acts". Paragraph 39 reads:

Since this office was established seventy years ago attention has, from time to time, been drawn to problems associated with legislating by means of token items in annual appropriation acts. For example, the procedure by-passes normal parliamentary safeguards against hasty decision with respect to public expenditure.

That is the whole point I am making.

Further, the practice tends to disturb constitutional usages with respect to money bills—both within the House of Commons and in relationships between the Senate and the house. An ancillary characteristic is that the practice presents difficulties to searchers for the authority for payments.

Even the Prime Minister (Mr. St. Laurent) had difficulty in finding the authority for the $2,000 when bills were brought in two years ago setting up certain new departments. He was advised, but he did not know offhand where that authority was to be found.

Paragraph 40 is under the same heading but it deals with another subject; it relates to vote 586 in the estimates of that year which had to do with government annuities. The Auditor General pointed out that the effect of vote 586 seemed to be legislative in character rather than the appropriation of one dollar, which happened to be the amount of the item.

Paragraph 41 reads:

Moneys granted by an appropriation act lapse at the year-end—

I have quoted the section in the Consolidated Revenue and Audit Act and I have referred to the section in the bill now before us which makes that provision.

—but the act itself does not expire.

That is the anomaly which underlies the whole problem; the money expires but the act, once having been passed by parliament, is on the statute books for all time.

Consequently, when an item is so worded as to make future expenditures a charge to unappropriated moneys in the consolidated revenue fund,—

That is apparently the way that item 352 in 1931 was worded; it was an item appropriating $42,000 for that year but it was so worded as to make future expenditures a charge to unappropriated moneys in the consolidated revenue fund.

—authority exists to make payments in subsequent years without further grant by parliament.

That may be legal, but I suggest that it is wrong in principle. It violates the precept that there should be parliamentary control over the expenditure of money. Mr. Sellar is really spelling this out most carefully despite the reserve and the guarded language of an Auditor General when he says that the procedure by-passes normal parliamentary safeguards, and when he says in his letter to me that his interest is that of preserving parliamentary control of the public purse. He goes on to say in paragraph 41:

An illustration is the motorcar allowances to ministers, the Speakers and the leader of the official opposition.

In other words, this is not just something the member for Winnipeg North Centre is bringing up; it is there in black and white in the 1947-48 report of the Auditor General.

These payments became statutory charges by the text of vote 352 of Appropriation Act No, 5, c. 61, statutes 1931. The 1947-48 main estimates included thirty items marked "(S)" because of texts in previous appropriation acts—

That is the notation which appears on the left-hand column of the estimate indicating that the item is statutory and we cannot discuss it.

—22 having an association with vote 352 of 1931.

That means that in that year's estimates there were twenty-two of these items related to that motorcar allowance but there must

have been eight others which were marked "statutory" and which had never been dealt with by proper statutes but were simply being paid on the basis of continuing vote that was made in one particular fiscal year. The rest of the paragraph reads as follows:

> Among the "to be voted" items in the same estimates were twenty-seven authorizing payments notwithstanding provisions of various public acts.

I come now to the last paragraph of this section to which the Auditor General drew my attention. Paragraph 42 reads:

> The practice of legislating by appropriation acts has attractions when dealing with special cases or making temporary exceptions from general legislation; but the thought presents itself that it might be a safeguard and a convenience to members were such items listed together in a special schedule and the reasons therefor printed with each item—as is the practice with respect to bills.

I submit that a careful study of these comments made by the Auditor General in his 1947-48 report, a careful study of his letter to me, practically all of which I have now placed on the record, and a careful study of the whole case I have been making will make it clear that, in addition to the necessity of our having a good bill, which is to be called the Financial Administration Act, it is also important for the government to be most meticulous and careful in the way it words its estimates and in the interpretation that it places upon the estimates after they have been dealt with. As I said before, I pay tribute to the government for the way in which they have from time to time tried to clean up a number of these matters by way of implementing suggestions of the Auditor General. I would be the first to admit they could not do it all at once. I am glad to note the progress that has been made. But I suggest that here is one more case where the Auditor General has suggested something that is very important and is particularly germane to the whole question of maintaining parliamentary control over public expenditure, and I hope that something will be done about it at an early date.

Mr. George A. Drew (Leader of the Opposition): I wish to take a short time to deal with certain aspects of this measure. I appreciate that all sections of the bill will be brought before the public accounts committee. The importance of this legislation is demonstrated by the terms of the definition of the bill itself. It is described as an act to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations. It is in fact the protection offered to the public that in the handling of moneys taken from the public by taxes there will be appropriate safeguards and that businesslike methods will be employed in the handling of these funds. As was pointed out at the time the resolution preceding the bill was introduced, this is undoubtedly one of the most important pieces of legislation that can come before parliament. If there are not the safeguards which should exist, then they should be introduced as a result of the examination and discussion which takes place.

If there are any ways in which the public business can be improved through this bill then that should be done. It is for that reason that I wish to refer to something that has already been mentioned in the discussion this afternoon but which I should like to emphasize from another point of view. It is quite clear that, no matter how carefully the estimates may be prepared, certain events are always bound to happen which will produce a different result at the end of the year from that which was anticipated. There may be international disturbances. There may be internal events such as vagaries of the weather or other circumstances of that kind which would affect the total amount of revenue and also the total amount of expenditure. Nevertheless, subject to such reasonable explanations as may be made, the estimated surplus or the estimated deficit, as the case may be, should bear some reasonable relationship to the estimates which the minister himself has received from his departmental officials, and they should be a correct interpretation to parliament of what the minister himself expects the net result will be, subject to these unexpected events.

It is not open to the minister to put before parliament one estimate of expected surplus and have in his mind some other. If it could be demonstrated that the minister had in fact placed before parliament an estimate which was not the estimate he had in his own mind, then he would of course be guilty of a very grave abuse of his position as a minister of the crown. For that reason surpluses that go far beyond the estimates placed before the house demand some kind of explanation which has not yet been furnished to the house in this current year. When the committee is dealing with this measure I think it might well consider the introduction of some provisions which will clearly state the responsibility of the minister to present to the house a figure which does in fact interpret his own expectations upon the best possible analysis of the figures which have been placed before him.

It has been pointed out that the present surplus is far beyond anything indicated to this house. In fact if the surplus for the present year continues to accumulate at the

rate it has accumulated for the first six months the minister will have guessed wrong by forty times. We are simply told that this after all is good business, that the government will be paying off the public debt. I think that on most occasions it would be agreed that it is a sound thing to pay off debts. What should be remembered by members of parliament, however, is that it is not for the minister to decide whether he will pay off public debts. It is for parliament to decide. If it is the intention of the minister to pay off public debts he should state that to parliament, and parliament, I would imagine, would support him as long as it could be demonstrated that the payment was on a reasonable basis.

If the taxation to be imposed upon the taxpayers of Canada is to include an amount for payment on account of the public debt over and above anything that is actually indicated in the estimates themselves, then the Minister of Finance (Mr. Abbott) is taking it upon himself to do something that he thinks is good but which he has not disclosed to parliament. That is not responsible government. That does not accept the authority of parliament over money, and that is the highest responsibility parliament has. There may be a question as to how much of the public debt should be paid off at any time. There are those who contend, and apparently with some sound arguments to support their contention, that, if too large payments are made at a time like this on account of the public debt, instead of being deflationary it may be highly inflationary. Undoubtedly there would be some point at which that would be true. Surely it would be the responsibility of parliament to be in a position to express some opinion on that subject, if it is the intention of the Minister of Finance to go far beyond anything indicated in the budget he has presented. Here we have a situation where the Minister of Finance has been so grossly and outrageously in error—I say "outrageously" having regard to his responsibility to parliament. He estimated a total surplus of $30 million for the whole year and there is already a surplus in excess of $600 million for six months, more than forty times the amount that had been estimated on a proportionate basis for the whole year.

Let us see what that means. This is not like a surplus in an ordinary business, because every cent of it is overtaxation. It is an amount of money taken out of the taxpayers' pockets which the Minister of Finance was not authorized to take out of their pockets. It is extremely difficult for any individual taxpayer to measure what $600 million means in terms of his own daily experience. But let us see what it does mean. Accepting fourteen million as the population of Canada at this time, it means that for six months every taxpayer in Canada has been overtaxed to the extent of about $43. Over and above those taxes which the Minister of Finance said he was going to impose, the average taxpayer, every man, woman and child in Canada, is paying $43. I am hardly correct when I use the word "taxpayer", because a child is not a taxpayer, and there are a great many people who pay taxes to a limited extent. Nevertheless, everything which is eaten, everything which is worn, everything which is used includes taxes of some kind, and no Canadian should be under the impression that he is escaping these taxes simply because he does not see a tax marked on the things he buys, or because he may not be called upon to pay income or other direct taxes of that kind.

The way that this can best be appreciated is to take a family of five, which is still the normal family in this country. It means that for the first six months of this year, over and above the taxes disclosed in the budget, the head of a family of five has been overtaxed to the extent of $215. This is not just the amount that has been paid by those in the brackets who pay income tax; it is not just paid by those who pay the visible tax, but that is the average overtaxation for the head of a family of five in this country. I recognize that it may be extremely difficult to introduce into this act a section which will prevent a surplus exceeding in some substantial measure the estimated surplus. This is particularly true when there is a progressive inflation such as we have at this time. Nevertheless, even if the act only had a section declaring that the minister accurately interpret the figures which have been placed before him, there should be something declaring beyond any doubt that it is the duty of the Minister of Finance to present to this house the most accurate estimates possible. I believe if that were there we might not see such grossly inaccurate estimates as we have had this year.

There is one other point I wish to mention concerning the bill now before us, and that is the part which deals with crown corporations. This section, which is a new section of the act, defines crown corporations and also sets forth that it is possible for the Auditor General to be the auditor of crown corporations. Section 76 (c), which is one of the defining sections, gives this interesting definition:

> "Crown corporation" means a corporation that is ultimately accountable, through a minister, to parliament for the conduct of its affairs, and includes the corporations named in schedule B, schedule C and schedule D.

I suggest, Mr. Speaker, that that is a slight overstatement. While crown corporations might be ultimately accountable to parliament, they have not been accountable to parliament in a way that has made it possible for parliament to carefully examine the details of the business of those corporations. I do not believe any crown corporation, unless it deals with some secret operation and the statute creating that corporation places it under some terms of secrecy, should be in a position to deny to parliament, through the minister, any and every detail of its operations which affect its business.

We know that on a number of occasions where questions have been asked concerning crown corporations it has been said that this information could not properly be given. There are cases where operations deal with atomic energy in certain of its aspects—I say "in certain of its aspects" advisedly because I do not believe all the activities in relation to atomic energy should be secret. When it becomes an operation which can be used for peaceful purposes, as it is being used now for certain medical activities and where the operation relates to civilian requirements, then I believe the terms of secrecy should be removed. Subject to cases of that kind, and subject to the reservation of secrecy in the act of incorporation of the crown company, I believe that any questions relating to the business, salaries or any other detail concerning the crown corporation, should be available to the members of this house at any time. Otherwise, we can set up a tremendous branch of public business in this country which is not accountable in the ordinary way to members of parliament. I would hope that this part of the act will be reviewed carefully, and that a clearly defined reservation concerning these terms of secrecy may be introduced, so that all the details of the business of a crown corporation set up by the parliament of Canada or under the authority of the parliament of Canada can be brought fully before the members of this house.

Now, I should like to refer back to the overtaxation which has already been seen this year. In explaining to the public accounts committee the way in which the public business of Canada, particularly the financial business of the country, can best be supervised, I suggest that the Minister of Finance (Mr. Abbott) give some explanation of where he and his officials went so wrong this year. That information would be helpful in trying to draft sections which might prevent a repetition of that tremendous mistake.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the parliamentary assistant to the Minister of Finance speaks now he will close the debate.

Mr. Sinclair: —I intend to make only a few remarks. I think the house is indebted for the comments which have been made by the three speakers on this bill. As all three have pointed out, this is probably the key bill of government, and it is only right that the attention of the house should be drawn to it. I would suggest that not only the members of the public accounts committee who will study this bill item by item but other members of parliament can profitably follow the discussions in that committee and get as good a picture as it is possible to get in this parliament of the function of parliamentary control over expenditures.

I will not comment on the remarks on taxation policy made by the financial critic of the official opposition, the hon. member for Greenwood (Mr. Macdonnell). After all, this bill is not concerned with the methods by which money is raised or with the purposes for which parliament votes that money. It is concerned with the methods by which that money, when raised, is received by the government, held in safekeeping and controlled by the government, and the circumstances under which it is paid out in accordance with either legislation or parliamentary appropriation. It is concerned, of course, with both the internal audit by the office of the comptroller of the treasury, and, perhaps most important of all, as the hon. member for Greenwood and the hon. member for Winnipeg North Centre (Mr. Knowles) have pointed out, the audit by our own servant, the Auditor General, to see that these moneys were spent in accordance with the instructions of parliament.

The first point made by the hon. member for Greenwood was on the transfer of certain powers from the governor in council—that is the cabinet in our ordinary phraseology—to the treasury board. This is certainly a step long overdue, as most hon. members will realize when they look through the record of orders in council. I know that it has been extremely popular for opposition members to call this an order in council government. We have passed tens of thousands of them. But when you actually examine the great bulk of those orders in council it will be found that they are concerned with trivial affairs which, back at the turn of the century when the business

of the government of Canada was only a fraction of what it is today, may have seemed important but which certainly are not important when compared with other issues which have to be decided by the cabinet today. One which I came across just in the last week or two illustrates, as well as anything can, the type of thing which has now been referred to treasury board rather than to the governor in council for action. Under one of the earlier pension or superannuation schemes here the recipient had the right to either take his pension in instalments or to commute it into a sum. Under the original legislation his decision, if he chose to take it in a sum, had to be confirmed by an order in council. I do not think any of us here today think the cabinet of Canada has so little business that the giving of approval to a man's own decision as to how to take his pension is a matter which should engage their attention. The section referred to by the hon. member will, I think, do a great deal to remove a load of unnecessary trivia from the shoulders of the cabinet.

The hon. member mentioned section 7 (d). I was just thinking of the difference between the opinions expressed on this section by him and by the hon. member for Winnipeg North Centre. But as the hon. member for Winnipeg North Centre stated, I rather think he was referring to section 7 (d) (i) rather than section 7 (d). It gives authority to encourage employees in the public service to advance constructive ideas on how to effect economies. In this regard I think those of us who are actually in the departments carrying out the daily duties of government are perhaps in a good position to see where savings—perhaps just small ones but nevertheless savings which in the aggregate will be substantial—can be effected. As the hon. member for Winnipeg North Centre pointed out in his thoughtful speech on the resolution the other day, such a practice has been useful in the United States.

Mr. Knowles: It is good for morale as well.

Mr. Sinclair: And it is good for morale as well, as the hon. member points out.

Mr. Fraser: It is used in industry.

Mr. Sinclair: It is used in industry, which has found it to be a useful practice. The hon. member at the same time mentioned section 22. Under that section, of course, power to remit taxes or other revenues is not transferred to the treasury board. That is still a matter for decision by the governor in council.

I am sure that the clauses on revolving funds are going to get thorough discussion when they come before the committee. A year ago we had a protracted debate here on the bill of the Minister of Transport (Mr. Chevrier) establishing the first such a revolving fund. With that discussion under our belts, I think we will be in a better position to understand what is aimed at. I think the principal aim of these provisions for revolving funds is to establish a uniform policy across all departments so that we will understand what is government policy in any department as far as revolving funds are concerned.

The crown corporation section is, I think, undoubtedly the most interesting one and it is also, I think, the section which gave the greatest problems to those who drafted the bill and those senior officials in the various branches of government who were consulted in the drafting. The crown corporations do not fall easily into any one category. This spread which we have between government departments at one end and the companies which are public from the fact that they are owned by the crown but are operated much as a private business corporation, such as Polymer, at the other end, spans the field in crown corporations. Obviously the form of parliamentary control which will be exercised over the crown corporation which is in essence merely an extension of a department of government is entirely different from the control which you would expect to be exercised over what is, in many respects, an independent business operation competing with other privately owned businesses in the same field. That has been the aim of this legislation; and I am sure it will receive careful attention. No doubt when we come before the committee the question of whether or not these various corporations are in their right categories will receive discussion.

The hon. member for Greenwood pointed out this interesting point which I was quite sure some hon. member would raise with respect to section 77, as to the Auditor General's responsibilities in auditing crown corporations. Some years ago as a private member I made a speech on the fact that I thought that the Auditor General should do the work on the C.N.R. I was quite sure that in this debate I would be reminded of that fact. The hon. member for Greenwood came close to it. The actual number of corporations which are not audited today by the Auditor General is small; I think there are four or five all told. The most outstanding of them, of course, are the C.N.R. and the Bank of Canada. The Auditor General entered into all the discussions on

this phase, and when we are before the committee one of the points which will be dealt with is the reasons the C.N.R. and the Bank of Canada are not at the moment included in those corporations which shall be subject to the audit of the Auditor General. They are audited by outside auditors at the moment.

An interesting point was raised by the hon. member for Greenwood on the form of the public accounts in classifying what are current and capital revenues and what are current and capital expenditures, and then on the balance sheet, in classifying what are assets and what are liabilities, as compared with what in the ordinary business world would be regarded as revenues and disbursements and what would be regarded as liabilities and assets. That point was a subject of long discussion when we had the Auditor General before us in committee on the form of the public accounts. There is a great literature on the difference between the form of accounting which governments must of necessity follow and that which private business can follow. Perhaps it can be summed up best by the words used by the assistant deputy minister at that time, to the effect that a business in listing assets and liabilities can have in mind the thought: If we were to be wound up and sold tonight, what are the liabilities we must meet and what could we realize? What are our assets actually worth? That is not true, of course, with the government. First of all, to think of winding up the government of Canada, the Dominion of Canada, the country of Canada, overnight and putting on the block the assets which have been paid for since confederation —our canal system, for example, our transportation system, our road systems—and saying what a prospective buyer would pay for them is purely hypothetical, since there would be no buyer for such things. The very difficult question of sorting out what is a current expenditure and what is a capital expenditure is one which has engaged governments on all levels in this country for a long time, and it seems to be more or less a decision of the government of the time with respect to any particular borderline expenditure as to which category they put it in.

The hon. member for Winnipeg North Centre (Mr. Knowles) went at some length into the matter of legislation by appropriation, items in the Appropriation Act which have no statute behind them and which might be regarded as money bills in the ordinary sense. As we know, in this house any money bill involving public expenditure has lots of warning. We get a notice of motion. We get a resolution, and we go into committee on the resolution. Only then do we start the first, second and third readings which are given to all other bills. And of course the fact, as was pointed out by the Auditor General, is that when we legislate through items in the Appropriation Act there are no such stages in the consideration given. It is before you once, and there it is. I think it has already been agreed in this house—certainly I recall the Minister of Finance (Mr. Abbott), when the same member raised this problem a year or two years ago—

Mr. Knowles: Two years ago.

Mr. Sinclair: Yes; and quite recently the Prime Minister (Mr. St. Laurent), at the time of the establishment of those two new departments, agreed that in most instances continuing legislation by appropriation was undesirable. There are fields in which this legislation by appropriation is very practicable. To give examples, there were the Fraser river floods, the Winnipeg floods, the Rimouski and Cabano fires. Obviously we are not going to have bills put through to authorize the payment of non-recurring expenditures—at least we hope they are non-recurring.

Mr. Knowles: They were emergencies.

Mr. Sinclair: Yes. There were other instances. I could mention the university grants which were referred to today. In an instance like that there is a need to give help even before a firm policy on legislation has been established; and where in the early stages—that has happened with other forms of legislation—it is necessary to give immediate assistance there is legislation by appropriation. But I think it would certainly be agreed that as these statutes come up for amendment where provision can be made for statutory legislation rather than legislation by appropriation these changes should be made. I am quite sure that the amendments being brought in by the Secretary of State (Mr. Bradley) are along that line.

The point made by the leader of the opposition (Mr. Drew) on the estimates and the extent of the surplus is very interesting. Of course I am not in a position to answer fully. The Minister of Finance will be back early in the week and will be available if desired both for the passage of the bill through the public accounts committee and in the house when the bill is in committee of the whole. I might point out again, though, that in the study which the public accounts committee made of this matter two years ago, when we were studying the form of the estimates, the Auditor General, both from his experience in that post and his previous

experience as assistant deputy minister of finance, gave us a great deal of information on the difficulties of forecasting both revenues and expenditures in some fields of government. I recall him saying that in a purely administrative department such as the Department of the Secretary of State he would expect accuracy in estimating expenditures to as close a margin as at least 5 per cent. He pointed out of course that in such a department if toward the end of the year you found that you were going to exceed your estimate you have control by cutting back. At the same time he pointed out how impossible it was to forecast with any similar degree of accuracy expenditures which entailed future events, future decisions, future emergencies which could not be envisaged at the time. Obviously that is certainly true as far as our defence department is concerned. He pointed out, too, the problem of estimating revenue in times of full employment and inflationary pressures, or in times—and this was the experience of course the other way round during the early thirties—of falling employment when there were deflationary pressures in the country, when estimates of revenue were out in the other way, falling far short of expectations.

It is very interesting to recall at this moment that the budgets of both the United States and the United Kingdom, and for that matter in one other country with which I am familiar, namely Belgium, show exactly the same difference, perhaps not quite to the same degree but to a substantial degree between the estimates of expenditures and what actually has been spent, and the estimates of revenue and what actually has been received. The United States forecast quite a large deficit in the budget for this year. Actually I think they are running up about a $7 billion surplus at the moment. The British had a similar experience.

Mr. MacInnis: About the only way you can strike a balance is by estimating for a deficit.

Mr. Sinclair: That is along the lines the hon. member for Greenwood suggested. The one point the leader of the opposition raised which I do question very much is this. He said the minister had no authority to raise such sums. The actual authority given the minister is not to raise any sum, because the expenditures to be met are only an estimate. The authority is given to impose tax rates. It is quite true that tax rates are based on the estimate of what expenditures of the country are to be; but there is no question of the authority given by this parliament to the minister to impose those taxes.

The hon. member's comments on crown corporations were very interesting. Perhaps I touched on them slightly when I was dealing with the remarks of the hon. member for Greenwood. It is quite true that as far as crown corporations are concerned, such as that which controls Chalk River, there is an element of secrecy. On the other hand there is also a measure of—perhaps that is not the word—confidence in the operations of a company like the Canadian National Railways which is in daily competition with the Canadian Pacific Railway. The officials of this company have always felt that to allow their competitors to have full knowledge of all their working conditions and costs when they at the same time cannot receive similar information from the management of the Canadian Pacific Railway would be putting them at a disadvantage. That is one reason, of course, all crown corporations are not given the same treatment. But what this bill does do for the first time is to make all crown corporations now responsible through the appropriate minister to parliament for the tabling of their annual reports and their budgets. As you know, in the past these propriety corporations did not need to report to parliament. Just as long as they were not running in the hole they could go on for years and years without ever coming under parliamentary scrutiny. Polymer again is an example, because it has been a successful corporation. It is only those corporations that do not pile up a surplus but must come back to parliament each year to get either grants or loans of money to make up their deficits that have been subject to annual parliamentary scrutiny. I think most hon. members would like to have a good look at operations of the successful corporations as well as at the unsuccessful corporations, and in that regard I think this bill represents a real step forward. It is perhaps in this feature that this bill is so different from the bill put through the house by Prime Minister Bennett in 1931, because at that time they did not have the problem of what we today refer to as crown corporations. It is true they had the Canadian National Railways, but at that time nobody referred to the Canadian National Railways as a crown corporation.

The last point that I should like to refer to is the reference to rushing. It has never been the intention to have this bill rushed through. We would like every hon. member to have all the answers he wishes to every clause of this bill. When the minister introduced this resolution for the first time last summer he said that the services of every officer of our department who could be of any help to any individual member of the committee to understand the background of any of these clauses were readily available.

I need not of course say to this house that the services of the Auditor General's department are at your command, because the Auditor General is not a branch of the Department of Finance but is a servant of the members of the House of Commons.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Macdonnell (Greenwood): I should like to ask one further question. I was not clear as to the exact position regarding what we have described as legislation by estimates. I do recall that on one occasion the Prime Minister indicated that he was opposed to it, and I got the impression that he hoped it would be done away with. I am not clear as to whether there is anything in the bill to deal with that situation, and if not whether any other measure is in prospect.

Mr. Sinclair: Under the treasury board section of the bill there is one section which contains the power to frame estimates, and it is in the estimates themselves where some of these continuing votes are actually listed as statutory. There will be an opportunity to raise the matter in committee, and to check it. The other point raised by the Prime Minister (Mr. St. Laurent) and by the Minister of Finance (Mr. Abbott) was that as other bills in which changes should be made come before parliament, for other reasons, it was hoped to make these changes at that time. That was my recollection of the understanding given at that time to the hon. member for Winnipeg North Centre.

Motion agreed to, bill read the second time and referred to the committee on public accounts.

RAILWAY ACT

AMENDMENT TO INCREASE SALARIES OF CHIEF COMMISSIONER AND OTHER COMMISSIONERS OF TRANSPORT BOARD, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to provide in the proposed measure to amend the Railway Act, Bill 12 now before the house, that the salaries of the chief commissioner of the transport board and of the other commissioners be increased and that the present chief commissioner be now, and that any subsequent appointee to that office become, on retirement therefrom, an additional puisne judge of the exchequer court.

He said: The object of this resolution is twofold. It seeks, first of all, to increase the salary of the chief commissioner of the board of transport commissioners, and of the other commissioners; and, secondly, to make the chief commissioner a puisne judge of the Exchequer Court of Canada.

[Mr. Sinclair.]

The bill which will follow the resolution contains a provision for an increase in salary of the chief commissioner so that his salary will be equal to that of the president of the Exchequer Court of Canada. The committee on railway legislation did have before it a motion recommending an increase in the salaries of the other commissioners, but the chairman in his report to the house indicated that that motion could not pass because of a constitutional point, unless and until the government had given its approval. The government has done so, and the resolution now before the house is indicative of that fact. So the bill to be founded on the resolution will also have a section providing for increases in the salaries of the other members of the board of transport commissioners.

In so far as the second part of the resolution is concerned, namely that which also makes the chief commissioner a puisne judge of the exchequer court upon his retirement from the position of chief commissioner, I might point out that this is a provision which already existed, in effect, and that the former chief commissioner was also a member of the Exchequer Court of Canada.

With these observations I recommend the resolution to the house.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this resolution has a somewhat unusual background. In view of that, and in view of what the resolution seeks, members of the official opposition intend to oppose it.

I must give Your Honour and the house something of the history of the measure. Some weeks ago Bill No. 12 was introduced, designed to amend the Railway Act. In one of the sections provision was made for increasing the salary of the chief commissioner of the board of transport commissioners to equal the salary paid to the president of the exchequer court. In due course Bill No. 12 was referred to the special committee on railway legislation; and when that committee came to consider the sections of the bill one of the private members on the government side rose in his place and proposed an amendment to the effect that, in addition to the increase for the chief commissioner, there would be increases for the assistant chief commissioner, for the deputy chief commissioner and for all the other commissioners.

The minister was a member of the committee and tried to look unconcerned and surprised. However, I do not think there is any question that it was very well known that this subject was to be taken up. In effect the minister said, "Well, I must consult my colleagues to see whether these increases are all right." After a day or so he came back and said that everything was fine with the

cabinet, and that therefore the committee could recommend the increases. Members of the official opposition who were on the committee opposed the recommendation for these increases and, as I have said, we propose to oppose the resolution today.

The salaries now being paid to the members of the board of transport commissioners are $15,000 per year to the chief commissioner, $12,000 to the assistant chief commissioner and $10,000 to each of the other commissioners, including one who is known as the deputy chief commissioner. Those salaries were increased just four years ago from $12,500 for the chief commissioner, $9,000 for the assistant chief commissioner and $8,000 for the ordinary commissioners, including the deputy chief.

As I have said, Bill No. 12 does provide for an increase in the salary of the chief commissioner from $15,000 to $16,000, so that he would then be getting the same amount as the president of the exchequer court. It also goes further and provides that if at any time he should retire from the position of chief commissioner, then until he becomes 75 years of age he is automatically one of the puisne judges of the exchequer court and, as such, would receive a salary of $14,400. There is no provision that he must be needed on the exchequer court. He is just made a judge of that court and continues as such at this salary until he becomes 75 years of age.

The amendment proposed in committee, as set out in the report of the committee to be found in yesterday's *Votes and Proceedings*, provides for increasing the salary of the assistant chief commissioner from $12,000 to $14,000, for increasing the salary of the deputy chief commissioner from $10,000 to $13,000, and the salaries of the other commissioners from $10,000 to $12,000. I would point out that county court judges are paid only $8,000, but we are being asked to approve an increase of $2,000 for the ordinary members of the board of transport commissioners. No argument was presented to justify this increase. It has just been pulled out of the hat, so to speak.

As a matter of fact the Turgeon commission on transportation recommended that the board of transport commissioners should be strengthened. Obviously the royal commission was concerned about the capabilities of the board of transport commissioners and recommended that it should be strengthened. But the royal commission did not recommend that the present members of that board be given an increase of salary of $2,000 for the ordinary commissioners, of $3,000 for the deputy chief commissioner and $2,000 for the assistant chief commissioner.

Mr. Brooks: That is hardly strengthening the board.

Mr. Green: I submit that does not carry out the recommendation of the royal commission on transportation that the board of transport commissioners should be strengthened. This legislation might very well make it the more difficult to do anything about strengthening that board. It is not my intention to say anything further on the matter, but I repeat that the official opposition feel this is an unwise step to take under the conditions, and we propose to vote against the resolution.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, it is much more pleasant to speak in favour of increasing salaries than it is to object; therefore I do not particularly relish the task before me. However, I am going to vote against this resolution and I think perhaps I had better give my reasons. The hon. member for Vancouver-Quadra (Mr. Green) has explained the rather unusual way in which this came about. I think it is fair to say that this does not come to us as the original considered judgment of the government. Presumably it is a matter which must have been much in the mind of the minister because it has been discussed a good deal; nevertheless the proposal did not come from the minister when the committee first met and the hon. member for Vancouver-Quadra has explained why.

My approach to this matter is a simple one. I regard $10,000 as a large salary. The hon. member for Vancouver-Quadra compared this salary with that paid to county court judges. County court judges are men of some eminence in their profession. I know something about university salaries and I know a university would be delighted to be able to pay $10,000 to its professors. However, we cannot pay that salary. Many eminent men are getting very much less. I have some knowledge of business, and I know that $10,000 jobs do not grow on every bush. A man who gets $10,000 is generally a man of ability and service and experience.

Therefore I feel justified in voting against this resolution, but in doing so I do not mean it as a criticism in any way of the members of the board. I do it purely on the basis of believing that $10,000 is a good salary for men doing work of distinction and importance in the community.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, in view of the fact that my friends to my right propose to call a vote on this resolution, I think I should say a word or two. The two hon. members of the official

opposition who have spoken have indicated that they intend to vote against this, and the only way you can vote against a resolution is to call a vote. If they are going to call a vote I feel it to be my duty as a member of the committee to say why I am going to vote for the resolution.

I heard the discussion that brought about the amendment which led up to this resolution. I disagree with my respected friend, the hon. member for Vancouver-Quadra (Mr. Green), when he says no argument was presented to the committee to justify the proposed increases. Perhaps I should be the last one to say this, but in my opinion this resolution is aimed at removing a discrimination. I feel strongly on that point. The official opposition voted against an amendment proposed by me in committee; and in that the personnel which will share in these increases are all members of the legal profession and—

An hon. Member: No.

Mr. Gillis: Just a minute. When the bill was under discussion we objected to the provision that the commissioner, the assistant commissioners and the members of the board must be members of the legal profession with at least ten years of practice.

Mr. Green: On a point of order, I am sure the hon. member for Cape Breton South (Mr. Gillis) would not want to make a mistake if he had the necessary knowledge. It is not provided that the ordinary members of the board must be barristers.

Mr. Gillis: Just a minute.

The Acting Speaker (Mr. Beaudoin): The hon. member for Vancouver-Quadra (Mr. Green) must not interrupt the hon. member who has the floor without his consent. The hon. member for Vancouver-Quadra did not raise a point of order; he merely explained a point, and that should be done after the hon. member who has the floor has concluded his remarks.

Mr. Gillis: I am always pleased when those with whom I am arguing get excited enough to get up as that is a clear indication that my argument is having effect. The chief commissioner and the assistant chief commissioner must be members of the legal profession with outstanding qualifications.

Mr. Green: Now you are right.

Mr. Gillis: We said that should not be so. We wanted to know why men from the trade union movement possessing the necessary qualifications could not be appointed. Why should not some outstanding economists be appointed? Running a railroad is an economic proposition. However, we lost; and we bowed to the will of the majority in the committee. The hon. member for Vancouver-Quadra and other members of the opposition insisted that they must be members of the legal profession.

This brings up the question of remuneration for their services. In the past year or so we have increased substantially the pension rights and salaries of the members of the judiciary, and I submit that we should not have discrimination against the legal profession in this legislation. Why should we ask men with outstanding qualifications to give public service on this board for ten or fifteen years, and then when they are through find themselves on the beach? I think there is every justification for removing that discrimination by bringing the salaries of the members of the board of transport commissioners in line with the salaries and pension rights of members of the judiciary. Every reasonable argument with respect to removing the discrimination went through my mind, and I was quite prepared to see the salaries increased to the extent proposed in the committee and now contained in an amendment to the bill. It is removing a discrimination against the profession to which the hon. member for Vancouver-Quadra (Mr. Green) belongs. I am always prepared to do that kind of thing. In the second place, I have heard arguments advanced on a good many occasions in the house against increasing the salaries and pensions of members of the judiciary, and the hon. member for Greenwood (Mr. Macdonnell) and other members have risen and waxed very eloquent about it. They said that if we were going to get responsible men with high qualifications we had to remunerate them sufficiently so they would be available for appointment to these very important positions.

I consider the board of transport commissioners just as important a body as any court in this country. They deal with more complicated problems than merely deciding whether or not someone should go to jail. In fact they have much to do with the whole economic future of the Dominion of Canada. So far as I am concerned they have had no increase in remuneration since 1947, and since that time there have been many changes in the structure of prices and so on. I am making my decision to support the resolution on the ground that we are removing a discrimination between equally qualified personnel on the board of transport commissioners and those who occupy high offices in the judiciary in this country.

Mr. Solon E. Low (Peace River): Mr. Speaker, the royal commission on transportation recommended the strengthening of the

board of transport commissioners. We are in complete agreement with that recommendation because we feel there is no more important judicial body in the Dominion of Canada, nobody who has more to do with the welfare of most Canadians, than the board of transport commissioners. The minister has brought before the house a resolution proposing to remunerate the members of the board sufficiently to attract the very best men. I presume that if the best men are attracted by the salaries that are to be offered we can reasonably expect the board to be not only efficient but active. I think one of the things the royal commission suggested was that they be more active, that they should engage in more active investigation and keep themselves thoroughly informed at all times. Under these circumstances, because of the fact that we must have the very best men we can get and that once we get them and pay them well we can expect better service from them, we will support the resolution.

Mr. A. J. Brooks (Royal): I should like to ask the minister how many members there are on the board. I understand that they are appointed for ten years. I should also like to know what length of time each member still has to serve. We talk about improving the membership of the board, but if the members still have a number of years until the end of their terms how are we going to get new men on the board in the meantime?

The Acting Speaker (Mr. Beaudoin): Perhaps these questions might be asked more properly when we are in committee.

Mr. Brooks: I thought I might as well ask them while we were discussing the matter.

The Acting Speaker (Mr. Beaudoin): I understand that we are discussing it now, but we are considering a motion that Mr. Speaker leave the chair for the house to resolve itself into committee of the whole on the resolution, and I do not think questions are in order at this point. Is it the pleasure of the house to adopt the motion?

Mr. Green: No.

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

YEAS

Messrs:

Anderson
Argue
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Beyerstein
Blackmore
Blanchette
Blue
Boisvert
Boucher
Bradette
Bradley
Breithaupt
Brown (Essex West)
Bruneau
Bryce
Byrne
Cameron
Campney
Cannon
Carroll
Carter
Cauchon
Cavers
Chevrier
Cleaver
Cloutier
Coldwell
Corry
Cote (Matapedia-Matane)
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Cournoyer
Crestohl
Croll
Cruickshank
Darroch
Dechene
Decore
Dewar
Dickey
Dion
Dube
Dumas
Eyre
Fair
Ferrie
Follwell
Fournier (Hull)
Fulford
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gillis
Gingras
Goode
Gourd (Chapleau)
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Herridge
Hetland
Hosking
Huffman
Hunter
James
Jeffery
Johnston
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Knight
Knowles
LaCroix
Lafontaine
Laing
Langlois (Gaspe)
Lapointe
Leduc
Lefrançois
Leger
Lesage
Little
Low
Macdonald (Edmonton East)
MacDougall
MacInnis
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Masse
Monette
Mott
Murray (Cariboo)
Nixon
Noseworthy
Parent
Picard
Pinard
Poulin
Pouliot
Proudfoot
Prudham
Quelch
Ratelle
Richard (Ottawa East)
Riley
Rinfret
Roberge
Robertson
Robinson
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Shaw
Simmons
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Stewart (Winnipeg North)
Stick
Stuart (Charlotte)
Studer
Thomas
Tremblay
Valois
Viau
Warren
Weaver
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood
Wright—164.

Railway Act

NAYS

Messrs:

Balcer	Green
Black (Cumberland)	Harkness
Blair	Hodgson
Brooks	Lennard
Cardiff	Macdonnell (Greenwood)
Casselman	MacLean (Queens)
Catherwood	McLure
Charlton	Murphy
Churchill	Nowlan
Diefenbaker	Tustin
Dinsdale	White (Hastings-Peterborough)
Drew	White (Middlesex East)— 27.
Fairclough, Mrs.	
Ferguson	
Fraser	

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart), who is ill in hospital. Had I voted, I would have voted against the motion.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted against the motion.

The house went into committee, Mr. Dion in the chair.

Mr. Chevrier: Mr. Chairman, one or two questions were asked during the discussion of the main resolution which I should like to answer at this juncture. The hon. member for Vancouver-Quadra indicated that this resolution was pulled out of a hat, as it were. I want to assure him that such is not the case, that the government approved of the increases for other members of the board of transport commissioners for several reasons. One of the reasons was that given by the hon. member for Cape Breton South, namely that there was a substantial discrepancy between the salary which the chief commissioner will be in receipt of when this bill goes through and the present salaries of the members of the board of transport commissioners. Then again, another reason is that over a period of many years the salaries of members of the board of transport commissioners have been higher, as a general rule, than those of all other boards. They also have been comparable to the salaries of the members of the judiciary for some time. The report of the Gordon commission, which was established in 1946, dealing with administrative classifications in the public service, to which is added an appendix D, sets out and recommends in effect that the members of the board of transport commissioners should receive at least $2,000 more than the amounts recommended for members of other boards. During the discussions in the committee I indicated what was said by the royal commission on transportation. At page 273 of their report they stated that, because of the tenure of office of the members of the board, they felt consideration should be given to their present status. Having regard to all that, the government consented to the motion which was made in committee.

As to the question which was asked by the hon. member for Royal, there are normally six members of the board of transport commissioners. At the present time there are five. There is one vacancy. They are appointed for a period of ten years.

Mr. Brooks: I asked the minister to tell us how long each of the individual commissioners—

Mr. Chevrier: I am sorry, but I cannot follow what the hon. member is saying.

Mr. Brooks: I beg the minister's pardon?

Mr. Chevrier: I did not understand the hon. member's question.

Mr. Brooks: I thought I made it quite clear.

Mr. Chevrier: I could not hear. Someone was talking to me while the hon. member was asking the question. Would he mind repeating it?

Mr. Brooks: I should like to know the length of time each commissioner on the board has to run.

Mr. Chevrier: I could not give that information from memory. I could get it during the course of the debate on the bill. As to the chairman, he has just been appointed. As to Commissioner MacPherson, his term was extended last year, I believe. As to Commissioner Chase, I think the same applies to him. As to Commissioner Sylvestre and Commissioner Wardrope, I could not say; I would have to inquire. But I will get the exact details and give them to my hon. friend.

Mr. Green: There is, of course, a complete answer to the minister's statement that the government has given such careful thought to the need for increasing these salaries, and the answer is this. On October 23 first reading was given to Bill 12 amending the Railway Act. In that bill the government did not see fit to provide for these increases at all; there was no suggestion whatever that the government thought the salaries should be increased until, in the committee last week, or it may have been the week before, a private member stood up and moved that these increases be brought into effect. Therefore the minister's argument that this had all been carefully considered and that there was a very good reason for the increases is just a lot of poppycock, in view of the manner in which the matter was handled.

Mr. McLure: We are all in pretty nearly the same boat in this, in that we do not know what we are dealing with. So far as I

am concerned, I have this resolution before me, and I do not know whether it deals with the board of transport commissioners or all the other boards such as the maritime transport commission, the board of transport commissioners, the royal commissioners, the transport controller and so on. What is the jurisdiction of all these boards? I remember that in 1945 and 1946 I took objection to this board of transport commissioners on the ground that they had no jurisdiction to deal with certain problems of my province, at any rate. However, they were sent down there at that time, and they had a sitting. After a week or ten days and a great deal of expense they ended their sitting and decided they had no jurisdiction. Since that time I have often wondered whether any jurisdiction had been given to them.

A few days ago I noticed that they gave a ruling with reference to a railway bridge in my province. It was a most peculiar ruling. I think I have something here that explains it. One of the members, I think it was the chief commissioner, who has since resigned, filed a minority report. As hon. members know, this bridge was operated by the Canadian National Railways in conjunction with the Murray Harbour Railway. As I said a few days ago when speaking on a railway matter, the theory is they are going to pull up the railway track for 45 or 50 miles and ship it off to some other place. But listen to the report of the commissioners. Two of them found this—

The Deputy Chairman: Order. Perhaps I should remind the hon. member that this resolution deals with an increase in the salaries of the board of transport commissioners. It has nothing to do with the reports the board has made from time to time. The hon. member may find an opportunity to discuss this matter when the bill is before the house.

Mr. McLure: Mr. Chairman, I do not know, but it always seems to be my lot that when anything comes up and Your Honour has the privilege of being chairman of the committee you like to push me off.

The Deputy Chairman: Order. I am always very sorry when it is my misfortune to call the hon. gentleman to order. But I think he would not want to leave on *Hansard* the words he just used, namely that the chairman likes "to push me off".

Mr. McLure: Mr. Chairman, we will bury the hatchet at that.

Mr. Knowles: It depends on where you bury it.

Mr. McLure: We are dealing with the board of transport commissioners and the increase in the salaries that they are to receive. I was just speaking about the jurisdiction of this board and how they are to operate in the future. These men are going to get great increases in salaries, and I was just trying to prove that they had no jurisdiction and when they do bring in a report it is what you might call an unreasonable one. I was just quoting from a recent report. I had just got this far and said that when they were dealing with this bridge that they have now condemned here is what two of them said after the chief commissioner had brought in his report but not in accord with theirs:

> Having regard to the fact that the railways have from time to time found it necessary to apply for increased freight rates, etc., which are generally opposed by the public—

That is true, all right. I continue:

> —it would appear only right that the board should approve of any applications which will result in economies of operation whenever and wherever such economies can be effected without causing undue inconvenience to the public.

Therefore they do away with this little railway down in Prince Edward Island.

The Deputy Chairman: Order. I think the hon. member will be reasonable enough to realize that by this time he is definitely out of order.

Mr. Green: Surely it is in order for an hon. member to point out where there have been extremely unwise decisions made by the board. This is a resolution which is preliminary to a measure which will increase their salaries. Surely an hon. member can submit cases to show that the increases should not be granted. That is all the hon. member for Queens is doing.

The Deputy Chairman: The hon. member for Vancouver-Quadra has put his finger on the very point. This is a preliminary measure, and perhaps when the bill comes before the house the other points concerning the jurisdiction of this board and the reports they have made from time to time may be discussed. Right now all we have before us is a resolution dealing with the increases in their salaries; that is all.

Mr. Drew: Mr. Chairman, I suggest in all seriousness that what the hon. member is doing is supporting the contention that the board needs to be strengthened. After all he is showing why it should be strengthened, although he does not agree it can best be strengthened by increasing the salaries of the same people.

Mr. Chevrier: I do not think that because we have two hon. members taking the same attitude it strengthens the point of order. As

I understand the point of order, the hon. member is trying to discuss a matter concerning the Hillsborough bridge on this resolution. Surely that is entirely out of order. He also wants to discuss the matter of freight rates. If he wants to deal with the increase in the salaries and the duties of the board, that is another thing. In fairness to the committee, since we did not allow a discussion on the freight rates on the bill when it was before the house and on the earlier resolution, surely we should not allow it at this stage.

Mr. McLure: During the discussion of these things I was endeavouring to show that in getting these extra men who are to be appointed at high salaries, we should get men who would not bring in unwise reports such as the one I referred to. I will go this much further and say this. The board of transport commissioners that I have had anything to do with for the last six or seven years never gave us any consideration because they did not know where they were in regard to it. What I should like to see brought in is another amendment washing out the board of transport commissioners entirely. We have far too many of these things. We have the maritime commission for the railways, we have a controller of boxcars and reefer cars and all these things. After all, anything that our province has to do with the railways cannot be done through the board of transport commissioners. They have no jurisdiction to set freight rates. We cannot deal with subcontractors. Our contract is with the Minister of Transport and the government, and that is the reason I want to express myself at this time to the effect that the board of transport commissioners, as applied to the problems of our province, are not worth a pinch of snuff.

Mr. Knowles: I should like to ask a question with regard to the wording of the resolution. It says that the present commissioner is to be now an additional puisne judge of the exchequer court. Then, later on it says "on retirement therefrom". Which is it? Does the present chief commissioner become now a judge of the exchequer court or does he become such upon his retirement from his present position?

Mr. Chevrier: Both.

Mr. Green: What procedure will be followed, once this resolution has been passed? Will it be an amendment to Bill 12, or is there to be a new bill entirely?

Mr. Chevrier: When we reach the end of this discussion I propose to move that this resolution be referred to the committee of the whole on Bill 12, and then when we get to the section dealing with the salary and position of the chief commissioner I propose to ask my colleague the leader of the house to move an amendment to that section.

Mr. Green: And will the minister clear up the situation with respect to the chief commissioner becoming a puisne judge of the exchequer court? As I read Bill 12, upon his retirement from the position of chief commissioner he will become what is called a supernumerary judge of the exchequer court, and will continue to be such supernumerary judge until he becomes 75 years of age. Presumably as such supernumerary judge he will draw a salary the same as other puisne judges of the exchequer court, namely $14,400. And he will do that regardless of whether he is functioning as a judge of the exchequer court. Am I wrong in that summing up?

Mr. Chevrier: I wonder if my hon. friend would allow me to explain that when we get into committee of the whole on Bill 12, because the amendment which I shall ask my colleague to move will deal with those very points. I undertake now to make that explanation, and I hope I shall do so to the satisfaction of my hon. friend.

Mr. Knowles: Perhaps the amendment will be clearer than the resolution.

Mr. Chevrier: It will be more detailed, I can assure you.

Mr. Herridge: What are the minimum educational requirements and administrative experience required by the government in making an appointment to the board of transport commissioners?

Mr. Chevrier: If my hon. friend would take the trouble to look at section 1 (2) of the Railway Act as it now stands he will find there the qualifications required to become chief commissioner and assistant chief commissioner.

Mr. Herridge: I have asked for the qualifications required for commissioners.

Mr. Chevrier: The qualifications required for the chief commissioner and the assistant chief commissioner are that they be judges of a superior court, or at least barristers of ten years' standing. There is no qualification set out in the act with respect to commissioners. I take it that men of standing in the community, such as have been appointed in the past, would be appointed in the future.

Mr. Knowles: What community?

Mr. Hodgson: I understand the commissioners get $10,000 a year now, and this increase brings them up to $12,000; is that right?

Mr. Chevrier: Yes.

Mr. Hodgson: I think $10,000 is a fair salary for any commissioner. A short time ago railwaymen had to go on strike to get increases of from $10 to $25 a month. Yet here with one stroke of the pen we give commissioners an increase in salary of $2,000. In my judgment it does not just add up.

The Deputy Chairman: Shall the resolution carry?

Mr. Fraser: On division.

Resolution reported, read the second time and concurred in.

Mr. Chevrier: I move that this resolution be referred to the committee of the whole on Bill 12.

Motion agreed to.

RAILWAY ACT

IMPLEMENTING CERTAIN RECOMMENDATIONS OF ROYAL COMMISSION ON TRANSPORTATION —MAINTENANCE OF TRACKAGE

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee on Bill No. 12, to amend the Railway Act.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

On section 1—*Reappointment.*

Mr. Green: Is the minister going to make any general statement on this section?

Mr. Chevrier: No. I think the statements I have already made are sufficiently indicative of the meaning of the bill. The proceedings which took place in committee, too, will indicate to those who want to read them the tenor of the discussion there.

However, before we proceed to the discussion of section 1, I would ask my colleague to move the new section 1. Before he does move it I should like to advise the committee that it is in practically the same language as the present sections 1 and 2, with the exception that section 2b is spelled out far more than in the present bill. Then there is an addition to section 2 dealing with the present incumbent, together with section 3 which indicates the time at which the whole section shall come into force. I would ask my colleague to move it.

Mr. Fournier (Hull): I move:

That sections 1, 2 and 3 of Bill No. 12 be deleted, and the following be substituted therefor:

"1. (1) Subsection five of section nine of the Railway Act, chapter one hundred and seventy of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor:

'(5) A commissioner on the expiration of his first or subsequent term of office shall, if not disqualified by age, be eligible for reappointment for a period not exceeding ten years.'

(2) Subsections two, two(a) and two(b) of section ten of the said act, as enacted by section one of chapter sixty-six of the statutes of 1947-48, are repealed and the following substituted therefor:

'(2) Any person may be appointed chief commissioner who is or has been a judge of a superior court of Canada or of any province of Canada, or who is a barrister or advocate of at least ten years' standing at the bar of any such province.

(2a) Sections twenty-two, twenty-three, twenty-six, twenty-seven and twenty-eight of the Judges Act, 1946, apply in respect of the chief commissioner as though his service in the office of chief commissioner were service in the office of a judge of the exchequer court, and notwithstanding anything in the Civil Service Superannuation Act the chief commissioner is not a civil servant for the purposes of that act.

(2b) Where the term of office of a chief commissioner expires before he has attained the age of seventy-five years and he has not, prior to the expiration of such term, been reappointed as chief commissioner for a further term, he becomes, at the time such term expires and without any appointment pursuant to the provisions of the Exchequer Court Act, a puisne judge of the exchequer court in addition to the number of judges of the exchequer court provided for in the Exchequer Court Act and the Judges Act, 1946, and with the same jurisdiction, tenure of office and salary as other puisne judges of the exchequer court; and for the purposes of sections twenty-two and twenty-three of the Judges Act, 1946, his period of service as chief commissioner shall be added to his period of service as judge of the exchequer court, and for the purposes of section thirty-two of the Judges Act, 1946, his salary as a puisne judge of the exchequer court shall be deemed to be payable under that act.

(2c) Where a chief commissioner who made an election under section twenty-six of the Judges Act, 1946, in respect of his office as chief commissioner becomes a puisne judge of the Exchequer Court pursuant to subsection two (b), no further election under that section is necessary and the election he made in respect of his office as chief commissioner shall be deemed to have been made in respect of his office as a puisne judge of the Exchequer Court at the time he became such a judge.

(3) Subsection one of section twenty-six of the said act, as enacted by section two of chapter sixty-six of the statutes of 1947-48, is repealed and the following substituted therefor:

26. (1) The chief commissioner shall be paid an annual salary equal to the salary of the president of the Exchequer Court; the assistant chief commissioner shall be paid an annual salary of fourteen thousand dollars, the deputy chief commissioner shall be paid an annual salary of thirteen thousand dollars, and each of the other commissioners shall be paid an annual salary of twelve thousand dollars.

Mr. Knowles: I think we have been given quite a mouthful. As a matter of fact, we have had read to us the revised form, not just of section 1 but of sections 1, 2 and 3. I do not blame the Minister of Public Works because he just had it handed to him a minute ago, but I think these sections should be dealt with one at a time. I tried to follow what was being read and to compare it with the sections of the bill before me, and I did not notice any change in section 1 nor in section 2 until we got down to 2 (b).

Mr. Chevrier: Would the hon. member allow the Minister of Public Works to complete reading the whole amendment and then I shall try to explain it to the committee. I think that would make for a more intelligent discussion.

Mr. Knowles: I thought he had completed reading it; he did sit down.

Mr. Fournier (Hull): Sections 2 and 3 will read:

2. The person holding the offices of chief commissioner of the board of transport commissioners for Canada and puisne judge of the Exchequer Court of Canada at the coming into force of section one of this act shall continue to hold those offices as though subsections two and three of that section had not been enacted, except that

(a) the said office of puisne judge shall be deemed to be in addition to the number of puisne judges of the Exchequer Court of Canada provided for in the Exchequer Court Act and the Judges Act, 1946;

(b) the salary annexed to the said office of puisne judge shall be equal to the salary payable to other puisne judges of the said court and for the purposes of section thirty-two of the Judges Act, 1946, shall be deemed to be payable under that act; and

(c) the salary payable to the said chief commissioner under the Railway Act shall be equal to the salary of the president of the Exchequer Court of Canada, less the salary received by him as puisne judge of that court.

3. Sections one and two of this act shall come into force on the first day of January, nineteen hundred and fifty-two.

Mr. Chevrier: I think I should say at the outset that sections 1, 2 and 3 of the bill now before the committee are being amended by the amendment which the minister has moved. I presume the committee will want me to explain the effect of this amendment.

Mr. Knowles: It seems to me that we could listen to the minister's explanation more intelligently if we had these revisions before us. After all, we have had quite a bit read to us just now. I suggest that these sections stand and we go on with the other parts of the bill. As a matter of fact they might stand until tomorrow, when we would have this material before us in *Hansard*.

Mr. Green: Perhaps the minister could furnish us with typed copies of the proposed amendment and then make his statement at eight o'clock, after we have had an opportunity to read it.

Mr. Chevrier: I think that is possible.

Mr. Green: I presume the changes are not very extensive.

Mr. Chevrier: That is a fair suggestion. I shall have copies made and distributed so we can discuss this amendment more intelligently at eight o'clock.

At 6.15 p.m. the committee took recess.

[Mr. Knowles.]

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Chevrier: Perhaps I should explain the meaning of the amendment, copies of which I hope the committee has received since we adjourned for the dinner recess.

Mr. Knowles: Only a few minutes ago.

Mr. Chevrier: I admit that is so, but mind you it is a task to prepare one hundred copies in the short time we had. If it had not been for the assistance of the *Hansard* office it would have been impossible. Briefly the meaning of the amendment is as follows: Clause 1 (5), which corresponds with 1 (5) in the present bill 12, simply provides for the reappointment of a commissioner for a period not exceeding ten years. In other words it permits a commissioner to be reappointed for a term of less than ten years if that be found necessary. There is no change in that section. Neither is there any change in subsections 2 and 2a. Subsection 2 provides for the qualifications of a chief commissioner, namely, that a chief commissioner must be a judge of a superior court of Canada or of any province of Canada, or a barrister or advocate of at least ten years standing at the bar of his province. Subsection 2a provides that the sections of the Judges Act relating to annuities and pensions shall apply to the chief commissioner as if he were a judge of a superior court.

Subsection 2b is in essence the same, but certain language has been added which strengthens the clause as it stood before. It provides for the appointment of the chief commissioner as a puisne judge of the Exchequer Court of Canada before he has attained the age of 75. Subsection 2c is new. It provides that where the chief commissioner makes an election under the Judges Act no further election is necessary as a puisne judge of the exchequer court at the time he becomes such puisne judge.

Mr. Green: Has that to do with pension?

Mr. Chevrier: Yes, and it also has reference to the distribution of the pension to his widow. Everything I have discussed so far is purely academic and has to do with future chief commissioners, whereas section 2 provides for the present chief commissioner. Perhaps I should not have overlooked subsection 3. It is in exactly the same language as subsection 3 of the bill and is the one which provides for increases in salaries. There is no change there.

Mr. Green: It is not the same as 3 in the bill. It is somewhat the same as the committee's recommendation.

Mr. Chevrier: Yes. Thank you for bringing that to my attention. That is a fact. It is not the same as in the bill. It is the same as the motion made in the committee, which we have adopted. It provides for the salary of the chief commissioner to be the same as that of the president of the exchequer court. It provides for the salary of the assistant chief to be $14,000, that of the deputy chief $13,000 and that of each of the commissioners $12,000. Section 2, as contained in the amendment now before hon. members, deals with the office of the present chief commissioner, and I think that needs no explanation. It is clearly set out in subsections (a), (b) and (c) what the intention is. Section 3 provides that sections 1 and 2 of the act shall come into force on the first day of January, 1952.

Mr. Knowles: On the question of form, I understand then that the subject matter of what is comprised in sections 1, 2 and 3 of the printed bill is all being compressed, with some changes and additions, into the new section 1.

Mr. Chevrier: That is right.

Mr. Knowles: And that there are new sections 2 and 3.

Mr. Chevrier: That is right.

Mr. Green: We have not had very long to consider these changes in the first three sections of the bill, and I should like to take the opportunity of making a few general remarks with regard to it, as is the custom on the first section of a bill. Perhaps that will give other members a chance to review these amendments that are to be made. I am rather sorry the minister did not say something concerning the work of the committee, and with reference to the bill as it has come back from the committee.

Those members of the house who, like myself, were fortunate enough to be members of the special committee on railway legislation found the work extremely interesting, and I hope it will be beneficial to the country. I must admit that we are hardly qualified as experts by reason of the fact that we have been sitting as members of the committee for a couple of weeks, but at least we do know a little more than we knew before the committee started to sit. Not many witnesses appeared before the committee. There were two from the Canadian Pacific Railway and there was one spokesman for the Canadian National Railways, although of course other officials of that railway were present and also other officials of the Canadian Pacific. I think it was unfortunate that the Canadian National was not allowed to take a more active part in the work of the committee. The Canadian Pacific had to make all the submissions against the bill, and of course in the process got a certain amount of kicking around. I would have appreciated having similar comments from the spokesman for the Canadian National Railways, but perhaps he was handicapped by the minister.

Mr. Chevrier: Not in the slightest.

Mr. Green: One got the impression that he had the wraps on, and I thought perhaps the minister was responsible. However, there is no doubt that when it comes to the fixing of freight rates both the railways will be together. They have been in the habit of making applications in the name of the Railway Association of Canada, and I have no doubt they will continue to do so in applying for increases in rates.

Then we heard representatives from eight of the provinces; that is, all the provinces except Ontario and Quebec. These two provinces were not represented, I presume because they are not very interested in this bill. It is obvious that the shippers in those provinces are confident they are not going to pay very much higher freight rates than they are paying today. Ontario and Quebec were not represented, either, before the royal commission on transportation. The minister will correct me if I am wrong, but I believe those provinces did not make any representations to the Turgeon commission.

Mr. Blackmore: They always win.

Mr. Green: Well, in so far as freight rates are concerned they have been winning thus far and perhaps they will continue to do so.

There has been an impression abroad that this bill lays down some new national transportation policy. In the earlier debate I may have made a statement to that effect myself, but I believe we should make it absolutely clear that there is no such intention. The bill deals only with railway freight rates. There is no attempt at all to deal with rates by water, by air or by road, so that by no stretch of the imagination can it be considered a bill to bring in a national transportation policy.

Section 332A of the Railway Act does, however, proclaim what is called a national freight rates policy. Even that name gives a wrong impression, because if members will refer to the section, which is contained in section 7 of the bill, they will find that there are quite a few exceptions to this national freight rates policy. For example, all joint international rates between points in Canada and in the United States are excepted from this new policy; rates on export and import

traffic through Canadian ports where in practice such rates bear a fixed and long-standing relationship with rates on similar traffic through ports in the United States are also exempted. A third group of exceptions are the competitive rates, which form a large group, and the agreed charges authorized by the board under part V of the Transport Act of 1938. The rates over the White pass and the Yukon route are excepted. There is also an exception for all the Crowsnest rates which are statutory rates applying principally to the hauling of grain. Another group of exceptions are all the rates subject to the Maritime Freight Rates Act.

The representatives from the maritimes were not satisfied that this exemption of the rates under the Maritime Freight Rates Act protected them; and at their request, and with the approval, may I say, of all the members of the committee and the representatives of the four western provinces, an additional exception was written into the bill to protect the maritimes. It will be found in a new paragraph (f) of section 332A of the Railway Act, which reads:

(f) rates applicable to movements of freight traffic upon or over all or any of the lines of railway collectively designated as the "Eastern Lines" in the Maritime Freight Rates Act as amended by the Statute Law Amendment (Newfoundland) Act.

This means, Mr. Chairman, that the national freight rates policy begins at Levis, Quebec. It does not apply east of that point, so the eastern part of Quebec and the four maritime provinces, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland are excepted. In the general result too I do not believe Ontario and Quebec are going to be very much affected by this national freight rates policy. In those provinces much of the carriage of goods by rail is subject to competition from ships and from trucks. This means that there are competitive rates in Ontario and Quebec which are lower than the ordinary type of rates, and as such they are excepted from the provisions of section 332A which contains the national freight rates policy. The Canadian Pacific representative stated that over 41 per cent of the freight traffic being carried by that railway would come under these exceptions, and only about 59 per cent would be subject to the so-called national freight rates policy. We should not fool ourselves that the bill, good as it is in most of its provisions, constitutes a new national freight rates policy.

Another fact we should bear in mind is that these provisions will not be implemented for a period of several years. The class rates will not be finally dealt with by the board of transport commissioners for a year and a half or two years. After that the commodity rates have to be reviewed and brought under the terms of this section. It may, therefore, be four or five years before this policy really comes into effect. I am not criticizing that delay. I assume it cannot be avoided. But we should remember that there will be all this delay in implementation.

Another important feature of the bill has to do with these competitive rates. As I have said, they are excepted from the new freight rates policy; they do not come under it at all. They are especially low rates put in by the railways to enable them to meet competition. Most of such rates are in effect in Ontario and Quebec. The bill, in section 331, seeks to tighten up the competitive rates. I think there is an attempt to make it more difficult for the railways to bring in these competitive rates. If something cannot be done about them there is not going to be much chance of the eight provinces being relieved of any of the burden of railway freight rates. I suppose it is hoped that this section 331 will make Ontario and Quebec pay higher rates than they have been paying in the past. They obviously do not much fear that result because they did not bother to come before the committee.

I would point out that under section 331, in order for a railway to justify putting in a competitive rate, several things must be proved. In the first place the railway must show that the competition actually exists. Then it must show that the competitive rates are compensatory. In other words it cannot put in a rate that is below what costs will be. Then the railway must show that the rates are not lower than necessary to meet competition. All these conditions must be met in order to justify a competitive rate. But once the rate is put in the railways are free to abolish it or to raise it at will. The board of transport commissioners has no control over the abolition or the increase of these competitive rates.

As I have said, section 331 is the code dealing with competitive rates. But there is another section in the bill which also deals with them, namely section 332B. It deals with one type of competitive rates known as the transcontinental rates; they are the rates on goods carried across the country where there is competition between the ships and the railways, as for example at Vancouver. A special provision is made with regard to that one type of competitive rate. Section 332B writes in a ceiling on what can be charged to the intermediate areas—primarily the prairie area—and provides that

the rates at the intermediate points cannot be over 1⅓ of the through transcontinental rate.

There will be an opportunity to debate that section when we come to it. I have no intention at this moment of going into that question any further. It is highly contentious. Here again Ontario and Quebec are not interested, and I do not think the maritimes are interested. But unfortunately the provision has lined up the provinces of British Columbia and Manitoba on one side, against the section, and the provinces of Alberta and Saskatchewan on the other in favour of it. The section has had that result. The governments of these provinces had representatives appear before the committee, the British Columbia and Manitoba representatives opposing the section and the Alberta and Saskatchewan representatives approving it. I greatly regret that this has taken place. I think it is unfortunate for western Canada. I believe the difficulty could have been dealt with in another way, in order to avoid this friction, but at the moment that is the position. Section 332B is a subject of great controversy among the four western provinces.

Another provision in the bill is that a subsidy of $7 million will be paid to help to defray the cost of maintaining the tracks of both railways across the rocky part of northern Ontario which in the past has been considered rather unproductive. The district is between Sudbury and Fort William on the Canadian Pacific Railway and between Capreol and Fort William and between Cochrane and Armstrong on the Canadian National Railways. The payment of this subsidy is to help keep down the freight rates on goods that have to go over that unproductive area.

I think that plan met with the general approval of members of the committee and also of all the representatives who appeared to give evidence. The details are not worked out in the bill. Hon. members will find all the provisions in section 18. The implementation of the policy has been left to the board of transport commissioners. It has been given wide discretion to say how much shall be paid to each railway and on what basis the amounts will be worked out. I think this policy of subsidizing that so-called bridge or gap is sound.

Then there is one other thing which has occurred to me as a result of the sittings of the committee. I think it is not accurate to describe the bill as an equalization bill. In the press and in our speeches the bill has been referred to in that way. I suppose that has been done because over the years the freight rates fights have been called fights to equalize the rates, and that word "equalization" has been used to describe all the attempts that have been made to improve our freight rate structure. There is really not a great deal of equalization under this bill.

We might have equalization if we removed all the exceptions to the new section 332A; for example, if we removed the Crowsnest rate—I can hear every hon. member from the prairie provinces starting to swear under his breath the minute that is even mentioned in a debate; and nobody is suggesting that it should be done—or the maritime freight rates. If we are to have equalization, real equalization, then I suppose the Maritime Freight Rates Act will have to go out the window. Now all the maritimers start to shake their heads, and I quite agree with them. But this shows you how far we are from having real equalization of rates in this bill or in the near future. I suppose the only true equalization in Canada would be to have a freight rate structure such that you paid the same to have a car brought from Oshawa to Vancouver as you paid to have it carried by rail from Oshawa to Montreal. That is the kind of equalization that would appeal to me. If we had that sort then we would have what could properly be called equalization. However, I guess that is a long way in the future, too. Or we might have equalization by a wider system of subsidies. It may prove to be a good policy for Canada, through her federal taxation, to subsidize freight rates in different parts of the country so that Canadians would pay the same rates no matter where they may live.

However, we will be inaccurate if we describe this as an equalization bill. I think the minister will agree with me when I say that it is perhaps a start on equalization, but it can be more truly described as a step towards improving the freight rates structure of Canada. I believe it is certainly that. All the members of the committee, and also I think all the witnesses who appeared before the committee, were equally glad to have a measure of this kind being made law, with the idea that it would be a step towards improving the Canadian freight rate structure.

These are just rambling remarks having to do with the whole bill, and the impressions I gained as a result of those very interesting days spent on the special committee on railway legislation. As I have said, there will be further debate of course on the different sections. I am reserving my right to debate section 332B, and no doubt other hon. members will also wish to speak on that same section.

Mr. Laing: For a few moments I should like to make some remarks concerning this bill. I will not be as pessimistic concerning its future as the hon. member for Vancouver-Quadra.

Mr. Low: That would be refreshing.

Mr. Laing: In the main it is a very good bill.

Mr. Green: I agree with you.

Mr. Laing: It is a bill which as a start implements the report of the Turgeon commission on transportation. I want to say that I do not think a finer report has ever been presented to a government of Canada by any commission appointed. There is material in that report that will stand us in good stead, transportationwise, for many many years in Canada. As the hon. member for Vancouver-Quadra said, this bill, as a beginning—perhaps just a beginning—of the implementation of that report, I think is a little bit of a monument in transportation affairs in the Dominion of Canada. We do not realize what the railways have meant to Canada. In our own case, in the province of British Columbia, it was by virtue of the guarantee that the railway would come west that we came into confederation. In the days when the railways first went through, transportation was simple and the railways' revenue was secure. That situation does not pertain today. The railways are being harassed on every side by every other competing mode of transportation. In our own city of Vancouver today we have 25 trucks coming in daily from San Francisco, with two drivers to a truck, 50 hours out of San Francisco. They do not back their freight load against a team-track downtown; they back it right up to the warehouse or put it inside the warehouse. The railways, with fixed rolling stock and fixed locations and so on, are sitting ducks for that type of competition. We have a railway problem in Canada because the nature of traffic in this country is such that we cannot move it, and will not be able to move it for many years to come, or at least in the foreseeable future, without railways. That is why we have a railway problem.

I know many Canadians in my part of the country who occasionally ride on United States railways as passengers. They come back and say: "Why can't we have these lovely trains in Canada that they have in the United States?" Well, last year Canada lost $20 million on passenger transportation, and I do not know that they would be justified in providing any better equipment than we have today. For the volume of traffic they have and the distance over which they run I think their passenger service is very very good indeed.

The railways have done a great work for Canada. One of the great things they did was to provide a group of men who came in as pioneers to build a railroad, and who have left first and second generations of people who are very important in all parts of the Dominion of Canada. By some means or other the Canadian Pacific Railway commanded a loyalty among its employees, which I think was reflected too in the case of the Canadian National Railways probably under the chairmanship of the late Sir Henry Thornton, when the national system was brought together in the twenties; and out of that loyalty to their firms there have been given to Canada a great many men who have made great contributions in business—yes, and in this House of Commons as well—because we have had in the past a great number of men in this house, including one or two at present, who have come from the railways, and they have been outstanding citizens.

Passenger traffic today is being lost to the bus lines, and the expensive rear-end traffic of the railways today, over long distances at least, is largely being carried by the aeroplane; and we can expect an increase in that. At the present time we are carrying some 1,400 passengers a day out of our great airport at Vancouver. That is about four trainloads of passengers. That traffic will increase in the future rather than decrease.

Some parts of this bill are of very great concern to Canada, and are outstandingly good. One of them is the $7 million provision. For generations we in Canada have regarded this country as an east and a west with a great gulf fixed between. If this provision to take care of that so-called desert, or non-productive area around the head of the lakes, does nothing more than make the Canadian people realize that we are one country and we are bridging that gap, it will be money extremely well spent.

In the bill there is a definition of eastern territory and western territory. The eastern territory is beyond a line drawn from Armstrong, Ontario to Port Arthur. That provides for shipment from the eastern territory into the intermediate territory by transcontinental roads to all the vast productive area of Ontario and Quebec and such productive areas as we have in the maritimes; and we in British Columbia draw steel products from the maritimes as well. In the case of the western territory, it is defined as a very narrow strip along the Pacific coast. As a matter of fact it is from Mission City to

Vancouver, which is a twenty-eight mile strip. I thought that was hardly fair, and I do not see why we cannot expand the western area or, in other words, bring it in farther from our coast. If possible I would like to see it include the area in which the fruit industry of British Columbia is located. We have not an extensive agricultural industry in that province, but we have a very specialized one. The most important feature, and the most important product of our agriculture there, is the very magnificent grade of fruit produced by the fruit-growing industry of British Columbia, a product which finds a market in all the provinces of Canada. It is more of a tribute to our fruit than to the Canadian freight rate structure that last year several cars were shipped to Newfoundland at freight rates of $1,700 to $1,800 per car. We will go into that point as we proceed with the discussion.

I noticed in the Vancouver paper that the hon. member for Kootenay East and I had joined with the hon. member for Vancouver-Quadra in a battle in committee, and that we had lost. The hon. member for Kootenay East and myself will have to be more careful of our allies in the future. I am going to say this, that I do join with him in my concern with respect to the transcontinental competitive rates. That is a matter in connection with which there is considerable history in our province. It did not start with the building of the Panama canal. As a matter of fact those transcontinental competitive water-compelled rates were in effect long before the Panama canal was thought of. And as a matter of fact there was movement by way of the Horn which really had an effect upon the very earliest freight rates established continent-wide. That competitive position, so far as transcontinental rates are concerned, is very important to us. It is a very low rate on many commodities, but it is a rate upon which provision is made for shipment to the intermediate territory in Canada.

In order to relieve the disabilities that have come upon the prairie provinces in the matter of freight rates, this bill establishes the provision that upon shipments from either the eastern or western territory into the intermediate territory, the rate to no point shall be greater than one and one-third times the transcontinental rate. That is a matter of very great concern to the central provinces and will bring them a tremendous measure of relief, for which I think the people in all other parts of Canada will be very happy indeed. But I do point this out, that to bring them that relief it simply has to operate and it can only operate on the basis of the maintenance of our transcontinental rates.

I wish to thank the committee for giving me so much time to discuss the matter at this stage. I enjoyed working on the committee. It is an engrossing subject, which one would have to study many years before he could say that he had any considerable knowledge with respect to it. It is a dynamic problem, and we are dealing with it in a dynamic country. The greatest mistake we could possibly make at this time would be to think that by writing a bill like this we are going to solve the disputes in respect of freight rates for all time. I think we should disabuse our minds of that right now, because we will find that within four or five years this country will be faced with a brand new set of conditions which will make many of the present conditions connected with freight rates entirely outmoded. We can expect that.

One of those factors, I will say, is going to be the industrialization of the west, something that is on our doorstep right now. It is affecting Alberta and British Columbia today, and there is no doubt that this industrialization wil move into Saskatchewan, too. Much of that movement will be westbound, toward the water.

Mr. Fraser: Not while they have a C.C.F. government there.

Mr. Coldwell: That is a silly remark.

Mr. Fraser: No, it is not.

Mr. Sinnott: Let them fight it out.

Mr. Laing: I believe we will have that industrialization, and I trust the people of Canada, when they have profitable industrialization, will also have a government of their choice. I think they will probably have the right government, when they have that industrialization.

We must keep the thought clearly in our minds that we are going to continue to make changes as we go along. There is one further point concerning which I disagree with the hon. member for Vancouver-Quadra and his followers. I refer to the provision discussed this afternoon, to increase the salaries of the commissioners. I thought the hon. member and his followers took a very backward stand. What are the salaries of the high officers of the two railways today? I take it they are probably two or three times the amount the hon. member for Vancouver-Quadra would want to pay these commissioners, who are charged with the responsibility of administering the conditions under

which both railways operate. I do not think there is any direct relationship between what you pay a man in a particular category and what you get out of him in service. If there were a direct relationship, then I know many public servants of this government, men of outstanding merit, whom we would not have retained as long as we have.

At the same time there is some relationship and certainly there is some connection between the salaries we pay and the services we should expect to obtain from the men we hire. The salaries which will be adopted in this bill are remarkably low when we consider what we should expect from the men who are going to form the board of transport commissioners for Canada. The hon. member for Cape Breton South said this afternoon that they have an important task. I do not think there is a more important commission in Canada because, as he said—and said very well—not only are they administering the conditions under which the roads operate, but they have much to do with determining the economic growth and development of the country. We are going to have to depend more and more upon that commission. I would suggest to the minister that as we go along in developing this policy, he also always bear in mind that we want the strongest and best commission we can possibly have, at all times. We want the most energetic and the best informed. And —and this may be more important than even the commissioners themselves—they should have assistants in the engineering branch, and in the branch of accountancy, equal in all respects to those of the railways. We should be prepared to employ these men, and to pay whatever salaries are necessary to get men as competent as those of the public utilities appearing before them.

Mr. Argue: Mr. Chairman, I have only a few remarks I should like to make at this point. I have listened with a great deal of interest to hon. members preceding me. I listened to the hon. member for Vancouver-Quadra. His interpretation of the value of this bill is not the same as mine. If I remember correctly he said that in this bill there is no broad, new, general freight rates policy for Canada. I believe there is a new freight rates policy for Canada spelled out in this bill, in section 332A. That feature of the bill is something for which the people of western Canada have been battling for many years. It is perfectly true that this bill does not provide for the equalization of freight rates by legislation, but it does make the equalization of freight rates, with certain exceptions, the declared national freight rates policy. I believe that declared national freight rates policy will strengthen the stand of the provinces when they appear before the board of transport commissioners from time to time in an effort to obtain a fairer freight rates structure.

The work of obtaining a better freight rates policy will begin with the passage of this bill. This measure does not in itself guarantee in any way the equalization of freight rates; it does not guarantee a better deal for western Canada, but it has in it all the possibilities of a better deal. It will now be up to the board of transport commissioners to see that the terms of this bill are put into effect and that the people in the various provinces get the new freight rates deal for which they have hoped.

When the matter of an increase in the salaries of the transport commissioners was brought up in committee I stated, on the basis of an answer which I had received from the minister that the total of the increases would amount to only $9,000, that I did not feel I could oppose such an increase if it would be effective in strengthening the board of transport commissioners. If there is one thing the report of the royal commission emphasizes repeatedly it is the many ways the present board of transport commissioners has fallen down in dealing with the freight rates question. If a total increase of $9,000 divided among the members of the board of transport commissioners will be successful in bringing about a fairer freight rates structure resulting in large savings to the people of western Canada, perhaps amounting to millions of dollars, I cannot but support those increases.

I hope the minister will obtain the best possible men as commissioners. I have discussed the personnel of the present board with some people who I believe have some idea of its competence, and was informed that one member of the board was in the habit of going to sleep through much of the freight rates hearings. I suppose if a member of parliament goes to sleep too often in the House of Commons his constituents will take care of him at a general election, but I do not think there is room for a member of the board of transport commissioners who goes to sleep. It is time the government obtained the best possible personnel.

We have agreed to the minister's request that increases in salaries be granted, but I tell the minister that as far as I am concerned I will object to those increases if the board does not come through with the goods in a short time. We want equalization of freight rates; we want fairer freight rates, and we are willing to pay good salaries to

the members of the board in order that this be done. But once we have agreed that good salaries shall be paid we want to see action on this new legislation within a short period of time.

One other valuable feature of the bill in my opinion is contained in section 331, which gives the board the power of policing competitive rates. One of the most serious objections counsel for the prairie provinces have taken in the past has been that there was very little or no policing of competitive rates and that finally you had a system of competitive rates in central Canada which because they were so low resulted in excessively high freight rates on the prairies, in British Columbia and perhaps in the maritimes. We support section 331 which gives the board of transport commissioners the power to go into competitive rates, to require the railroads to name the competing carriers, to show the route over which the competing carriers operate, to show the rates charged and so on.

I was not at all impressed with the evidence given before the committee by counsel for the Canadian Pacific Railway. He told the committee the C.P.R. had no idea who were its competitors or what they were charging. He said the C.P.R. had no idea of the amount of traffic its competitors were carrying, and that it would be absolutely impossible to produce the kind of information asked for in section 331. It is true that the board may decide in its own discretion whether this information should be produced, but this section will enable the board to get from the C.P.R. information which the C.P.R. now says it cannot produce. I believe that if the board of transport commissioners does a good job, under the powers granted by section 331, the C.P.R. and the C.N.R. will be obliged to produce the necessary information about competitive rates. If we are to have equalized freight rates in western Canada without an excessively high freight rates structure the board of transport commissioners will have to do a great deal of policing of competitive rates. It is our hope that the board will carry out its duties under this section.

I should like to refer now to section 18, the subsidy section. Hon. members are well aware that provision is being made for the payment of up to $7 million from the federal treasury for the maintenance of the trackage in the bridge across northern Ontario between Fort William and Sudbury on the C.P.R. I believe that as the new section is drafted the western provinces will derive some real benefit if the board of transport commissioners carry out the purport of that section, which reads:

> (5) The amounts paid under subsection one shall be applied to a reduction in the relative level of rates applying on freight traffic moving in both directions between points in eastern Canada and points in western Canada over the trackage to which the payment relates, in such manner as the board may allow or direct.

As I understand it, this section provides that the $7 million shall be passed on to the shippers by lowering freight rates on traffic going over the bridge.

As I have already said, in my opinion the most important section in the bill is the one on equalization. I, like other hon. members, am no expert on freight rates, but it is my opinion that equalization could be brought about without the $7 million subsidy. Therefore I say that the $7 million subsidy should be used to reduce further the new freight rates for western Canada on long haul traffic. Representatives of the C.P.R. and C.N.R. were questioned, and they felt there was no difficulty confronting the railways in filing rates to bring about equalization. Equalization can be brought about, but when it is established the $7 million should be used to bring about a reduction in rates affecting traffic into and out of the prairie region.

I am glad the bill was amended in the committee to provide that the maritime arbitraries will still be maintained. I know the maritimes have been greatly concerned lest this legislation should affect them adversely. I feel there is ample protection in the bill now for legitimate maritime interests. The maritime provinces have the Maritime Freight Rates Act providing them with a definite reduction in freight rates. My hope is that the $7 million may be used to lower freight rates for people residing in the prairie provinces in the same way that the subsidy now paid under the Maritime Freight Rates Act reduces freight rates for the maritime provinces.

I believe this is a good bill, and I shall be glad to support it; but the main job will have to be done after the legislation is passed. It will be a job for the board of transport commissioners. The railway representatives have said that equalization can be brought about in five years. I would hope it could be brought about in a shorter time, but as far as I am concerned five years should be the maximum time parliament should give the board of transport commissioners to bring equalization into full effect. In a few weeks or less the board will have an opportunity of bringing in new freight rates that I hope will represent a step towards making this legislation effective.

Mr. Johnston: I am somewhat at a loss in starting to speak on this bill on this occasion because those of our Conservative friends who were members of the committee were so mild in their criticism today that I am beginning to be a little bit suspicious. I recall quite well the vehemence they displayed in the committee. Then I think of the chief representative of the Conservative party on that committee, the hon. member for Vancouver-Quadra, and I remember that even in the house he is one of those silver tongued orators who could almost cut your throat—figuratively speaking, of course—while he is patting you on the back. I guess he has fallen into that practice because he is a lawyer but I would caution the committee not to put too much faith in the mild attitude he adopted in his first few words on the bill today.

I agree with some of the remarks of the hon. member for Vancouver South. He pointed out that the railways have a difficult problem. We all recognize that. There is not a member of this house or a province of Canada who does not agree that the railways will have to have sufficient revenue to maintain them in a solvent position, and that we need the railways for long hauls and probably will always need them. But the thing about which we in Alberta are concerned particularly—and Alberta is possibly more concerned than any other province over the passage of the bill—is that when the railways want increased revenue they should not get it all from Alberta. That is what we are concerned with, and that is the very point on which I want to caution the representatives of the Conservative party who were on that committee.

They say: "Oh yes, it is all right to have equalization as long as you do not affect us in British Columbia. If the railways need increased revenues let them get them from the province of Alberta. We do not care; that is what has been done all through the years." They say that despite all the handicaps and obstacles Alberta is progressing. Yes, it is; but it is not because of the co-operation of those who are opposing this measure. Certainly we recognize the difficulties confronting the railways, and we want to do our share in seeing that they are maintained in a proper condition. I was interested in the suggestion made by the hon. member for Vancouver South that the western area in British Columbia should be extended farther eastward than Mission. I do not object to that. I was glad he made that remark, but why stop at the British Columbia line? We would like to extend that area into Alberta. We would like to push it on into Saskatchewan.

Mr. Bryce: Don't forget Manitoba.

Mr. Johnston: Yes, Manitoba too. We would like it so well that we would go further and say that the one and one-third rule should not apply. It should be a parity rule. I wonder if the hon. member would agree with that. We do not want to have to pay one and one-third of the transcontinental rates. We think we should have parity. Why should the people of Alberta pay one-third more than the people of Vancouver, British Columbia? The reason is that we recognize the difficulty of the C.P.R. and the C.N.R., and we are willing to co-operate. We are willing to compromise and be soaked another one-third. The British Columbia Conservative members are not agreeable to that. They want us to take all the load. I refer to the Conservative members as a whole because I do not want to be personal about the thing and I do not intend to be, but the members of the Conservative party who were on that committee—

Mr. Ferguson: Speak for yourself. Don't try to be a mind reader.

Mr. Green: May I ask the hon. member a question? Were there any Conservative members from British Columbia on that committee other than myself?

Mr. Johnston: I do not know about other Conservative members from British Columbia, but there were other Conservative members on the committee.

Mr. Ferguson: If you could read my mind you would sit down.

Mr. Johnston: What did the hon. member say?

Mr. Ferguson: I said if you could read what is in my mind you would sit down.

Mr. Johnston: I sympathize with the hon. member for Simcoe North because he has to back up some of the remarks made by his associates before that committee. He really does have my sympathy.

Mr. Ferguson: I am against your remarks voluntarily. I do not have to be.

Mr. Johnston: As long as your remarks are all involuntary it will be all right.

Mr. Ferguson: Well, read my mind and sit down.

Mr. Johnston: I thought the hon. member for Vancouver-Quadra went to some pains to point out to the house that there was no great principle involved in this bill. He said there was no great change, so why bother

with it at all? In fact I do not think I will offend him if I say that was the attitude of the Conservative party before the committee. We in the province of Alberta think there is a great principle involved in this bill, and we want to see it passed. We know it is not equalization, but we have been suffering from an unjust, unfair and criminal discrimination for the last forty years. Now the Minister of Transport has introduced this bill, and I want to congratulate him. It was a big step to take, especially in view of the criticism he will receive from the official opposition. I believe he is to be commended for taking this step.

When this railway problem came to the fore in Canada, Mr. Chairman, the attack upon it was spearheaded by the province of Alberta, and later by Saskatchewan, Manitoba and even British Columbia. Finally they all agreed that it would be better to have our freight rates problems solved by a royal commission investigation than by submitting the difficulties to the board of transport commissioners. The government agreed with that view and set up a royal commission. When the royal commission was set up and it did not go according to the plans of some of those who had advocated the setting up of the commission, they raised their hands in horror and said, "We do not want this; we would rather trust the board of transport commissioners." Then when it came to improving the board of transport commissioners by increasing their salaries and creating a better board in accordance with the terms of the resolution passed a while ago, the opposition said, "No, leave it the way it was; we do not want it any better." Certainly they do not, because of the advantages they have obtained from the decisions of an overworked and inefficiently staffed board.

We do not take that view at all. We believe that the board should be strengthened and the members given decent wages, even though they be lawyers. This will put the board in a position to make an extensive inquiry into these difficulties, and arrive at a fairer decision. For a moment I should like to read from the royal commission report. All the contending parties agreed that there should be a royal commission. This commission went into the problem thoroughly and brought down a report, and the government have implemented the recommendations of that commission in the legislation which is before us now. Let us see what the report says about some of the problems confronting Alberta. Every province had an opportunity of setting forth their criticisms, and they did —except Ontario and Quebec. These two provinces believed they were in a preferred position because they had water and truck transportation. They did not care what was done, because those two modes of transportation would keep the freight rates down. British Columbia has water rates which it is said should be used to keep their freight rates down. We, therefore, are between the devil and the deep sea, British Columbia and Ontario. They say to us, you fellows in the prairie provinces should be satisfied. You are going to get your throat cut anyway, so which one do you want to cut it, British Columbia or Ontario? That is about the proposition they are putting to us. They believe we are going to sit down and take it. Thank God there is not a Conservative government in power or that is what we would get. As much as I dislike the Liberals, in this case at least they have gone a long way by introducing this legislation.

After a thorough investigation, these are some of the problems the royal commission found were facing the people of western Canada. At page 100 of the report we find this:

> As long as the competition exists the railways should be permitted to meet it. But when meeting the competition creates anomalies of the character indicated above and causes such long standing grievances, it is desirable that a solution be found which will enable the railways to meet the competition and at the same time eliminate, at least to a substantial degree, the anomalies created.

On the same page, under the heading "Recommendations", the report states:

> On the main issue, it seems reasonable to conclude that when the railways give the trader and consumer at the Pacific coast the benefit of fast railway service at rates that are very little more than ocean rates and thus provide them with two alternative services at almost the same price, the consumers in Alberta and other intermediate provinces are entitled to share in an equitable degree in the beneficial condition thus created by the railways.

Surely no intelligent person would contradict that statement. Then, the report continues:

> The influence of any transcontinental rate from the east to British Columbia coast should be carried back in the rates to the intermediate provinces (including points in British Columbia east of the coast) on a basis not more than one-third greater than the transcontinental rate to the seacoast. This is a logical and simple solution to the matter, one which is readily calculated and applied; it recognizes the influence on Alberta of intercoastal competition, but at the same time does not lead to the extreme conclusion that Alberta should have seacoast rates.

A little further on the report states:

> The provinces east of Alberta will likewise benefit from the proposal which is outlined above, since the maximum rate to all points between the point of origin and the Pacific coast area will be subjected to the ceiling of 133⅓ per cent of the transcontinental rate.

Then there is the final conclusion:

> This is all that can usefully be recommended in regard to this much debated question of transcontinental rates and their relation to rates at intermediate points.

The royal commission has gone to so much trouble to investigate this problem, and has come to the conclusion that settling these transcontinental rates at one and one-third should be the proper solution in view of the fact that it will assist all the provinces east of the Pacific coast. The maritimes have a problem. I quite appreciate the maritime position in this respect, and we go along with them in stating that their difficulties should be solved. We agree that they should maintain maritime freight rates, and in the committee the legislation was amended in order to ensure that there shall be no interference with their preferred position in the rate structure.

The big question facing western Canada is, are we going to continue to be a mere market for British Columbia, Ontario and Quebec or are we going to be allowed to industrialize our province in the manner in which it can and should be developed? Or are we to be allowed to industrialize our province in the manner in which we can and should develop it? Surely no one would say, when we speak from a national point of view—and that is the point of view we should have in this parliament—that any part of Canada should be retarded in its industrial progress. Certainly no province should stand up in this House of Commons and claim that any part of Canada, no matter where it be, should be retarded in its industrial growth just in order to give an unfair advantage to some other section of the country. No one can criticize us in Alberta for ever saying that we would not carry our full share of any costs which were involved in helping Canada as a whole. When we rise in this House of Commons and declare that we are entitled to justice, no one should criticize us. I would point out that this bill does not do away with the gross and unjust discrimination that has existed for the province of Alberta for the last forty years. No, it does not do that, and let no one get that idea into his head. Even under this bill we in the province of Alberta are paying one-third higher rates than any other part of Canada, at least any part on the transcontinental line. No, Mr. Chairman, we are not getting anything for nothing. Yet some hon. members have the audacity to stand up here and say: You should wipe out the one and one-third rule. Would they not make a great national party?

Mr. Brooks: Mr. Chairman, I feel that I should rise on a point of order. I was on this committee. The hon. member has stated a number of times that the Conservative party members on that committee voted with British Columbia as opposed to Alberta.

Mr. Johnston: I did not say anything about your vote.

Mr. Brooks: You said that we opposed Alberta. You said that time and time again.

Mr. Johnston: Yes, certainly.

Mr. Brooks: I want to say that I did not oppose Alberta. I opposed it neither by voice nor vote. I may say that my sympathies were more with Alberta than with British Columbia in this matter. My opinion is that my hon. friend is simply trying to run the Calgary by-election here in this chamber tonight.

Mr. Johnston: Now we are getting into elections, Mr. Chairman.

Mr. Brooks: Yes. That is exactly what you have been doing.

Mr. Macdonnell (Greenwood): We have been there for some time.

Mr. Johnston: May I point out, Mr. Chairman, that I have not been out to Calgary; but the leader of the opposition was out there and took part in the election campaign, as well as some other members.

An hon. Member: You are taking part here.

Mr. Johnston: I recall what I would call some political speeches before the leader of the opposition went west. I can tell you quite candidly, Mr. Chairman, that I am not thinking of any by-election in Calgary.

Some hon. Members: Oh, oh.

Mr. Johnston: What is one member here or there, compared with the passage of this measure?

Mr. Brooks: Let the hon. member stick to the facts when he is making statements.

Mr. Johnston: Why did you not rise in the committee and give your approval to this section when your colleagues were lambasting it right and left?

Mr. Brooks: There was not much chance for me to do that, as you were talking most of the time.

Mr. Johnston: I am not going to argue about that. I think I had a right to talk, because it was Alberta's interests that were at stake.

Mr. Brooks: Exactly.

Mr. Johnston: I might point out that maritime interests were at stake as well, and Alberta voted to assist the maritime provinces in retaining their freight rate structure.

Mr. Brooks: We greatly appreciated that fact. So did British Columbia, Saskatchewan and every other province in Canada.

Mr. Fair: Kiss and make up.

Mr. Johnston: They went on to argue that we should not insert in this bill anything about the one and one-third rule. That was not what we were arguing at all. I wonder if you will vote—I hope you will and I think you should—when this bill comes up to support section 332B, which gives us the one and one-third rule.

Mr. Brooks: Wait and see before you condemn us.

Mr. Johnston: I hope you do not get kicked out of the party when you do that.

No, Mr. Chairman, this is no laughing matter to us. We have had to make a great fight in the province of Alberta to get any advance in our industrial progress. We have only been able to do it through mighty hard work in the last several years. Now we want to take advantage of this provision; and as far as we are concerned, we are not going to let anybody stand in our road. We intend to get at least a little bit of relief from this unjust discrimination that we have had to put up with so long. It makes me angry, Mr. Chairman, to have people get up in this chamber and say: "You do not want to take this thing too seriously, because it is only a few items that it affects anyway; this one and one-third rule affects only ten or fifteen items which concern you. You fellows in Alberta had better be careful or you will be worse off than you ever were before". When I hear that sort of thing coming from certain sources I take it with a grain of salt because we are still in the difficulty that we have been in for the last forty years. It is an amazing thing when you have people get up and tell you that in this chamber, when the royal commission found that this gross and unjust discrimination existed and brought in recommendations to relieve it to some extent. The government has brought down a bill which will to a degree relieve it. The Canadian National Railways say this bill in principle is good. There is no difficulty in applying the principles involved in the legislation. The only two who are objecting to it are British Columbia and the C.P.R. railway.

Mr. Green: And Manitoba.

Mr. Johnston: Manitoba to a degree. But I would point out that they are not so outspoken in this regard as my friend the hon. member for Vancouver-Quadra.

Mr. Ferguson: I thought you said the Conservative party objected to it. Now you have changed your mind. You are forgiven.

Mr. Johnston: No. Do not make any mistake about it. I have not changed my mind about the Conservative party.

Mr. Ferguson: We forgive you. You have apologized.

Mr. Johnston: I have not changed my mind.

Mr. Ferguson: Do not apologize any more. You are forgiven. You made a mistake. We all make mistakes.

Mr. Johnston: We will be able to count the noses when the vote is taken.

An hon. Member: Keep on talking.

Mr. Johnston: The point is that this is no joke for us, Mr. Chairman. It is a matter of our existence, of our prosperity. We want to compliment the government again for taking this forward step. It is the only one that I can recall they have taken, but I think they deserve praise in this one instance. I can assure them that we agree with the principles of the bill. We are going to support it in its entirety, although we want it clearly understood that this does not remove the discrimination. It lessens it, however. It does not bring equality in freight rates throughout Canada.

It is an amazing thing, Mr. Chairman, to hear these people talk about removing this one and one-third rule because it is going to injure them a little bit. In the United States the intermediate points have the same rates as does their coast. Yet we in Alberta, even if this bill is passed, will have to pay one-third more. There is a reason why in the central United States you have industrial growth and expansion far beyond that which we have in Canada; and that is the reason. From a national point of view I think these Conservatives—should I call them that?—should have a broader and more national outlook on this bill and should support it so that it may pass this house unanimously.

Mr. Harkness: Mr. Chairman, I must thank the hon. gentlemen immediately on my right; it is seldom that I have heard them applaud when I rise to speak. I had not intended to take any part in this debate at this time, but somehow I think the remarks just made by the hon. member for Bow River make it necessary that I should say a word or two. The hon. member has sought to convey the

totally false impression that the Conservative party is opposed to equalization and has been opposed to Alberta getting a better deal in regard to these transcontinental rates and the additional amount which can be charged to Alberta. To illustrate that this impression sought to be conveyed is absolutely wrong all we need do is go back to the debate on the motion for second reading. I think I was the only one at that time who spent the entire time he spoke in connection with this matter of the transcontinental rate and the proposal in this bill to allow only one-third more than that as the rate to intermediate points. I would say further that during the last seven years the former member for Calgary West, Mr. A. L. Smith, and I spoke more frequently in this house in connection with doing away with the discrimination as far as Alberta is concerned in connection with freight rates than any other hon. member.

When the hon. member for Bow River was speaking on second reading did he put on the great blast that he has tonight in connection with this matter of equalization? No; practically his entire speech was given over to truck competition and matters of that kind. He barely mentioned this matter. He has suddenly come out as a great champion of it and, as I say, in doing so is attempting to convey the impression that members of the Conservative party are against this; whereas the actual truth, as I have indicated, is that we have more consistently spoken in favour of doing away with this inequity as far as Alberta is concerned than anybody else.

In order to demonstrate just the situation as far as second reading was concerned I will read what I said at that time in connection with this very matter. My remarks are found at page 513 of *Hansard*. I will not read all my speech, but just one section.

Some hon. Members: Hear, hear.

Mr. Harkness: I thought that hon. gentlemen to my right would be very much reassured if I made that statement first.

Mr. Stick: Hear, hear.

Mr. Harkness: This is what I said:

> We in Alberta, as I think everyone knows, are at the very apex of the freight rate structure. We pay more than anybody else in Canada. We have agitated for many years for the application in Canada of the decision in what is known in the United States as the Spokane freight rates case, namely, that a higher rate cannot be charged for a haul to an intermediate point than the rate charged for the whole distance. In Calgary, for example, we have to pay up to twice as much to bring a carload of goods from Toronto as it costs to carry the same carload of goods from Toronto to Vancouver. The commission recognized the injustice of this to a certain extent and recommended that the rate to an intermediate point should not be more than one-third greater than the through rate. The bill of course will bring this recommendation into effect through section 7. This is an improvement which I think everyone will recognize, but it still does not remove the basic inequity and the disabilities under which the economy of Alberta has had to operate in the past and under which it will have to operate in the future. I believe we should go the whole way in this matter and apply the so-called Spokane formula in Canada, particularly as far as the Canadian west is concerned.

That was my statement on the matter away back on October 30, and it was just a repetition of statements of the same sort which I have been making here for the past seven years. Any effort at the present time on the part of the hon. member for Bow River to try to convey the impression to this house and throughout the country that the Conservative party has been opposed to a fair deal in freight rates for Alberta is completely false and completely wrong.

Some hon. Members: He knows that.

Mr. Harkness: Why the hon. member should attempt to convey that impression I do not know. It was suggested by the hon. member for Royal that the by-election now pending in Calgary West may have something to do with it. That may be so, but personally I do not think the place to fight by-elections is in the House of Commons. I am sorry the hon. member has made the statements he has and has taken the line of argument he has because what I have said demonstrates quite well that there is no foundation for a contention of that kind.

Mr. Johnston: As I indicated in the committee a moment ago when I was speaking, I do not take this question lightly. It is a question that is of great importance to Alberta. I am going to suggest to the hon. member for Calgary East that if he is so concerned—and I am not saying that he is not—his proper place was on that committee. If you look up the records you will find that there were some Conservative members on that committee whose attendance was not very regular. There is no more important place for a member who is vitally interested in this question than on the committee that is dealing with it; because there are occasions when a section such as 332B could be wiped out in a vote and never come to this house at all. The committee is the place where the work is done, not speaking here a month ago, six weeks ago or two weeks ago, so that he goes on the record and out in the press as one who is a great supporter of a certain section which will help Alberta.

Mr. Ferguson: To hear you talk you would think it is all done there. If all the work is done in the committee why didn't you stay there?

Mr. Johnston: I accept the remarks made by the hon. member for Royal. I am going to say that if a vote is taken on this section I think the hon. member for Royal will support it. I may be wrong in that. I am not so sure about the others. We will have to wait and see.

Mr. Brooks: They do not all have to get up and say it now.

Mr. Johnston: Some of the hon. members who are voicing their opinions now were not on that committee. Hon. members should have seen the tenacity with which some of those who were opposed to this section hung on to every little thing to try to discourage the committee from passing it. I know it is the business of a lawyer to hang on to those points until he gets everyone so thoroughly disgusted that they say: "Oh, well, I guess we had better let it go." This is a serious problem for Alberta, and we do not intend to take it lightly.

Mr. Harkness: The hon. member for Bow River now seems to have changed his attack a little. He is now attacking me because I was not on the railway committee. In answer to that I should like to say that I believe I have been on as many committees as any hon. member of the House of Commons during the last five or six years. I am generally on about nine each year of one sort or another, standing and special. It happens also that this year I am on the combines committee. A man cannot serve on both committees satisfactorily, particularly when they meet at the same time. The hon. member's former attack was completely unwarranted. His present attack on the basis that I was not on this committee is even more unwarranted.

Mr. Ferguson: And ridiculous.

Mr. Pouliot: Can I act as as a peacemaker, Mr. Chairman?

Mr. Knowles: No man is better fitted for the job.

Mr. Pouliot: I will say to both hon. gentlemen who have just spoken that they are among the finest members of parliament, although each does not think the same about the other. But it is true nevertheless.

Mr. Macdonnell (Greenwood): What does all that mean?

Mr. Churchill: In view of the remarks that have been made in connection with Manitoba and the Conservatives, perhaps I might say a word or two—

Mr. Pouliot: If I may be permitted on a question of privilege to say just a word, I said that of two hon. members; I do not promise to say it of a third one.

Mr. Churchill: I would like to assure the hon. member that everything I am going to say now follows exactly along the line that he has suggested to us. The first is that we maintain a proper sense of proportion, and that we do not get into a violent argument as between western provinces. We have other enemies to fight. I think our position could be put quite clearly. However, I would like to say this before I come to the particular point raised by the hon. member for Bow River. I appreciate very much the importance of the railway committee. I think that has been my most valuable experience here this fall; and I agree with everything that has been said as to the importance of the freight rates structure, and the need for an understanding of it. I agree with hon. members who paid tribute to the royal commission. In my view it performed a most valuable function and has enlightened all Canada with regard to these important freight rates.

The effect of the bill is only that of partial equalization. We must recognize the fact that we had pointed out to us that 41·1 per cent of the railway freight traffic is concerned with matters not affected by this bill at all. Therefore equalization is not over the entire system. Nevertheless the measure of equalization contained within the bill is most agreeable to Manitoba, something that province has been after for years. It meets with the approval of Manitoba. I will say that my opposition in committee was directed only to section 332B, and was based upon representations made by the Manitoba government—and it is not a Conservative government.

I represented in the committee the views of the Manitoba government that were brought to our attention by the representatives who appeared before the committee. I believe their point was fairly well taken. We have heard the statement tonight that Alberta's interest is at stake. Well, Manitoba's interest is at stake; and it is only right that each representative should speak for his own province. Perhaps, as in some other instances, the solution would be by way of compromise. That is all that was suggested in the representations from Manitoba, namely some modification of this particular section. When it comes up for discussion we can deal with it in more detail.

That is all this great fight is about; and it seemed to me it was magnified tonight by the remarks of the hon. member for Bow River. Surely it is only right and proper for provincial representatives to emphasize the stand taken by their respective provinces. We may not win our point. Perhaps the solution offered in the bill is the one which will be

adopted. All we are saying is that if that is adopted, then for a long period of time there will be complaints from other provinces. Complaints that are now being satisfied in respect of one province will be replaced by those of another province. I think a more moderate solution to this problem could have been devised. I have sympathy with the problem in Alberta. I am not blind at all to the difficulties under which they have been labouring.

Then, with regard to the salaries of the commissioners, the suggestion was thrown out that we opposed the increase because we are generally dissatisfied with the bill, and things of that nature. Well, it struck me as rather odd that in this House of Commons, where on some occasions it is so difficult to get support for people who are in actual need, we can quite easily and quickly hand out thousands of dollars to people who are not in any particular economic distress. I was not impressed by the argument that another two or three thousand dollars given to certain individuals would result in better work on the part of the board, or would necessarily result in obtaining more valuable people later on. Surely there are people in Canada who, as a public service, will accept positions on boards as important as this without necessarily worrying as to whether the salary is $10,000, $12,000 or $25,000.

Generally I approve of the bill. My opposition to it will be expressed chiefly with regard to section 332B, and I shall reserve my right to have something to say when that section is before us. I do, however, reject the suggestion that there is afoot a campaign to do harm to Alberta. On the contrary, I suggest that so far as Manitoba is concerned some better solution for this problem is desirable. It could very well be a compromise, and could be achieved in a peaceful manner.

Mr. Green: Will the minister explain the provision for the chief commissioner? I refer particularly to the terms of the bill which make him a supernumerary judge of the exchequer court upon his retirement. As I read the Railway Act, as it stood before the introduction of Bill No. 12, the provision with respect to the exchequer court was almost the opposite of the provision in the new bill. That is, it dealt with the case of a judge of the exchequer court becoming chief commissioner, and not losing his rights as an exchequer court judge by reason of the transfer.

I may be wrong in that, because there are only certain sections of the Railway Act appearing in Bill No. 12. It would appear to me, however, that the approach in the present instance is just the opposite, in that the chairman can be brought in from the outside and then, after he resigns or is retired, he automatically goes to the exchequer court whether that court requires judges or not. He continues to receive the salary of an exchequer court judge until he reaches the age of 75 years. Am I right in my contention that there is an entirely different approach under the bill?

Mr. Chevrier: No, there is not an entirely different approach, because the former chief commissioner also held the position of judge of the exchequer court. He was first appointed judge of the exchequer court, and thereafter became chief commissioner.

In this instance subsection 2 of the amendment clearly sets out that the salary of the chief commissioner will be paid, under the Judges Act, from the appropriation the Minister of Justice brings down. He will be paid as a puisne judge of the exchequer court, and for all purposes he will be a puisne judge of the exchequer court. But the difference between his salary as chief commissioner and his salary as a puisne judge will be paid through the appropriation of the Department of Transport. I would draw to the attention of the hon. member the fact that the former chief commissioner held both positions, just as the present chief commissioner holds both positions.

Mr. Green: The minister is referring to Mr. Justice Archibald?

Mr. Chevrier: Yes. All subsection 2 does is clarify the position. It is not a new approach. Both the former chief commissioner and the present chief commissioner were chief commissioner and puisne judges of the exchequer court at the same time.

Mr. Green: Is Mr. Justice Archibald now a judge of the exchequer court?

Mr. Chevrier: He has resigned as chief commissioner and is now a judge of the exchequer court.

Mr. Green: Could we be in the position of there being several former chief commissioners of the board of transport commissioners all of whom would be entitled under this legislation to be judges of the exchequer court?

Mr. Chevrier: No, there can be only one chief commissioner of the board of transport commissioners.

Mr. Green: If the present chief commissioner resigns in five years he will automatically become a judge of the exchequer court and remain as such until he reaches the age of 75 years. His successor could do

the same. As I read the proposed amendment, when a chief commissioner retires he automatically becomes a puisne judge of the exchequer court.

Mr. Chevrier: That is right.

Mr. Green: And continues as such until he reaches the age of 75 years.

Mr. Chevrier: That is the position.

Mr. Green: Why is it necessary to have a provision of that kind? Why could they not be covered by a pension scheme? Why do they automatically go to the court?

Mr. Chevrier: This does not change the position that prevailed heretofore. It simply makes the present incumbent's position the same as that of his predecessor; he is chief commissioner at the same time he is a puisne judge.

Mr. Green: Could the minister give the salaries of other officials who come under his jurisdiction? I would like to know the salary of the deputy minister of transport; the salary of the members of the Canadian maritime commission; and of the members of the air transport board.

Mr. Chevrier: The salary of the deputy minister is $13,500; the salary of members of the maritime commission is $10,000; I think the chairman of the air transport board receives $12,000, while the members receive $8,000.

Mr. Green: The figures I have are $12,000 for the chairman of the air transport board and $9,000 for the members.

Mr. Chevrier: Perhaps there was an increase from $8,000 to $9,000.

Mr. Green: I have the chairman of the maritime commission receiving $12,000, with the ordinary members receiving $10,000. I have figures indicating that the chairman of the Canadian pension commission under the Department of Veterans Affairs receives $12,000 and his deputy $10,000, with the ordinary members of the commission receiving $9,000. In the case of the war veterans allowance board, the chairman receives only $9,000 while the ordinary members are paid $7,500. Vice-presidents of the research council get only $10,000. The chairman of the board of grain commissioners is paid $12,000, while the ordinary members of the board receive $10,000. The amendment brought in by the government today seems to make the salaries to be paid out of line with the salaries paid to other officials holding similar positions. How can we justify differences of that kind?

Mr. Chevrier: I gave some reasons earlier today why the government was disposed to accept the recommendations of the committee. The first was that the royal commission on administrative services had recommended that members of the board of transport commissioners should receive at least $2,000 more than members of other boards. That explains the discrepancy in the salaries the hon. member has referred to. I indicated also what was said by the royal commission itself. Otherwise there would be a great discrepancy between the salaries paid to members of the board and the salary of the chief commissioner.

Mr. Knowles: I believe I heard the minister state that the salary of the deputy minister of transport is $13,500. I have in my hands the estimates for the current year and they indicate that it is $12,000.

Mr. Chevrier: There has been an increase to $13,500.

Mr. Knowles: How does he get a raise without our hearing about it?

Mr. Brooks: Just before the recess at six o'clock I asked for the dates of the appointment of the commissioners and the dates of retirement. The minister gave a partial answer and I understood him to say that he would give a complete answer later on.

Mr. Chevrier: I could not get it during the recess, but I will give it to the committee when this bill comes up again.

Mr. Follwell: Provisions of sections 1 and 2 of the bill are to come into effect on the first day of January, 1952, and there would then be a vacancy for the position of puisne judge of the exchequer court.

Mr. Chevrier: No.

Mr. Nowlan: I think we should have the information asked for by the hon. member for Royal before this section carries, because it certainly goes to the question of whether the board is being strengthened. If members of the board who have been recently appointed or reappointed are going to continue to sit from six to ten years, without making any comment as to their qualifications as being strong or otherwise it is obvious that we will not be strengthening the board by increasing the salaries. I have not the recommendations of the royal commission before me, but as I remember they recommended or said that the best way to strengthen the board was to extend the tenure of office of the members and make the appointments for life on the basis of good behaviour.

I think the minister referred a moment ago to a vacancy on the board and said that an appointment is to be made. I assume that

arises from the retirement of Mr. Justice Archibald. That would leave a vacancy in so far as maritime representation is concerned. I should like the minister to advise when an appointment will be made and if the regional basis of appointment is to be recognized?

Mr. Chevrier: When an appointment is made it will be announced by the government.

The Deputy Chairman: Do I understand that, with the exception of subsection 3, section 1 can be considered as carried?

Mr. Green: No, nothing is carried yet.

The Deputy Chairman: It is now understood that the general discussion under section 1 is completed?

Mr. Blackmore: No, there is no indication that we have finished discussing section 1.

The Deputy Chairman: It has been the practice that a general discussion is held on the first section, and for the last few minutes specific questions have been asked. Before we break up I should like to have an understanding that when we open up the discussion again it is understood that the general discussion is over.

Mr. Blackmore: We want it definitely understood that the general discussion is not completed. Certain members got the floor and started to ask questions, which prevented other members continuing the discussion.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will resume the debate on the address, and we hope to have a vote on the amendment to the amendment moved by the hon. member for Acadia.

Mr. Macdonnell (Greenwood): What do we do if it is not finished by the end of the session?

Mr. Fournier (Hull): Pardon?

Mr. Macdonnell (Greenwood): What do we do if it is not finished by the end of the session?

Mr. Fournier (Hull): We had plenty of work today. Today is an indication of the work we have.

Mr. Chevrier: When is the end?

Mr. Knowles: How long is a string?

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Wednesday, November 28, 1951

The house met at 2.30 p.m.

PRIVILEGE

CONGRATULATIONS TO MR. MEEKER ON BIRTH OF DAUGHTER

Mr. P. T. Hellyer (Davenport): I rise on a matter of personal privilege. I would like to take this opportunity, on my own behalf and on behalf of hon. members on all sides of the house, to congratulate my successor as the youngest member of this house on the occasion of the birth of a daughter to Mrs. Meeker at Toronto yesterday.

COMMITTEES OF THE HOUSE

DEFENCE EXPENDITURES—COMBINES LEGISLATION —CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Adamson be substituted for that of Mr. Pearkes on the special committee on defence expenditures; and

That the name of Mr. Blair be substituted for that of Mr. Churchill on the joint special committee on combines legislation; and that a message be sent to the Senate to acquaint Their Honours therewith.

Motion agreed to.

TAX AGREEMENTS

CANADA-UNITED STATES—ADDITION OF PROTOCOL DEALING WITH EXCHANGE OF RATIFICATIONS, ETC.

Hon. J. J. McCann (Minister of National Revenue) moved for leave to introduce Bill No. 28, to amend an act to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

Some hon. Members: Explain.

Mr. McCann: The purpose of this bill is to amend the act passed by parliament in 1950 amending the Canada-United States of America tax convention.

The amendment is to add the protocol dealing with the exchange of ratifications signed at Washington on November 21, 1951. The protocol is set out as a schedule to this bill and is self-explanatory.

Motion agreed to and bill read the first time.

QUESTIONS

JOINT AIR TRAINING CENTRE, RIVERS, MAN.— CONSTRUCTION OF ROAD

Mr. Dinsdale:

1. Is the Department of National Defence providing a grant towards the construction of the road to be built at the C.J.A.T.C., Rivers, Manitoba?
2. If so, how much is the grant?
3. What percentage of the total cost of road construction does this amount represent?

Mr. Blanchette:

1. Yes.
2. $50,000.
3. 43 per cent.

DEFENCE PRODUCTION—SERVING FORKS

Mr. Green:

1. Has the Department of Defence Production called for tenders for serving forks within the last two months?
2. If so, for what total number of such forks?
3. To what persons and centres were such forks to be consigned, and in what numbers respectively?

Mr. McIlraith:

1. Yes.
2. 40,000.
3.

Consignee—Centre—Number of Forks

Commandant, No. 26 central ordnance depot, subdepot, 6565 Notre Dame St. East, Montreal, P.Q., 20,000.

Commanding officer, No. 15 regional ordnance depot, Debert, Nova Scotia, 6,300.

Commanding officer, No. 16 regional ordnance depot, Regina, Saskatchewan, 7,400.

Commanding officer, No. 17 regional ordnance depot, Boundary Bay, British Columbia, 6,300.

GOVERNMENT SAVINGS BONDS—PURCHASES SINCE ISSUE

Mr. MacInnis:

What amount of government savings bonds, series one to five, were purchased since date of issue in each case?

Mr. Sinclair:

Series 1, issued in 1946	$535,285,800
Series 2, issued in 1947	287,742,850
Series 3, issued in 1948	260,491,150
Series 4, issued in 1949	320,231,500
Series 5, issued in 1950	285,580,000

Questions

WHEAT—TRANSFER OF LOW GRADES TO 1951-52 POOL

Mr. Diefenbaker:

At what price per bushel was the damp or tough wheat of the 1950-51 pool transferred to the 1951-52 pool by the wheat board?

Mr. McIlraith:

	Price Per Bushel
Tough No. 3 northern	$1.85¾
Tough No. 4 northern	1.79¾
Tough No. 5 wheat	1.65¾
Tough No. 6 wheat	1.53¾
Tough feed wheat	1.47¾
Tough No. 1 soft white spring	1.89¾
Tough No. 3 soft white spring	1.82¾
Tough No. 2 Canada western garnet	1.85¾
Tough No. 3 Canada western garnet	1.81¾
Tough No. 2 Alberta winter	1.87¾
Tough No. 3 Alberta winter	1.82¾
Tough No. 2 Canada western amber durum	1.87¾
Tough No. 3 Canada western amber durum	1.85¾
Tough No. 4 Canada western amber durum	1.79¾
Tough No. 5 Canada western amber durum	1.65¾
Tough No. 6 Canada western amber durum	1.56¾
Tough No. 1 Canada western mixed grain	1.47¾
Tough No. 4 mixed wheat	1.54¾
Tough No. 5 mixed wheat	1.64¾
Tough No. 6 mixed wheat	1.57¾
Tough and heating No. 3 northern	1.74¾
Tough No. 6 durum heating	1.51¾
Tough rejected No. 3 northern	1.76¾
Tough rejected No. 4 northern	1.72¾
Tough rejected No. 5 wheat	1.60¾
Tough rejected No. 6 wheat	1.48¾
Tough rejected feed wheat	1.42¾
Tough rejected No. 3 durum	1.76¾
Tough rejected No. 4 durum	1.72¾
Tough rejected No. 5 durum	1.60¾
Tough rejected No. 5 mixed wheat	1.59¾
Tough rejected No. 6 mixed wheat	1.52¾
Tough rejected No. 3 mixed wheat fireburnt	1.13¾
Tough rejected No. 1 northern mixed heated	1.79¾
Tough rejected No. 2 northern mixed heated	1.75¾
Tough rejected No. 3 northern mixed heated	1.73¾
Tough rejected No. 5 durum mixed heated	1.57¾
Tough rejected No. 1 mixed grain mixed heated	1.39¾
Tough rejected No. 4 mixed wheat mixed heated	1.46¾
Tough rejected No. 5 mixed wheat mixed heated	1.56¾
Tough rejected No. 1 mixed grain mixed heated and heating	1.36¾
Tough rejected No. 3 durum sour	1.71¾
Tough rejected No. 2 northern mixed rotten kernels	1.71¾
Tough rejected No. 5 wheat mixed rotten kernels	1.53¾
Tough rejected No. 3 northern tartarian buckwheat	1.73¾
Tough rejected No. 4 northern sprouted	1.73¾
Tough smutty No. 2 northern	1.76¾
Tough smutty No. 3 northern	1.74¾
Tough smutty No. 4 northern	1.70¾
Tough smutty No. 5 wheat	1.58¾
Tough smutty feed	1.40¾
Tough smutty No. 1 Alberta red winter	1.80¾
Tough smutty No. 2 durum	1.76¾
Tough smutty No. 3 durum	1.74¾
Tough smutty No. 4 durum	1.70¾
Tough smutty rejected No. 6 wheat	1.42¾
Tough smutty rejected No. 2 durum	1.72¾
Tough smutty rejected No. 4 northern mixed heated	1.63¾
Tough smutty rejected No. 3 northern mixed heated and heating	1.64¾
Tough smutty rejected No. 5 wheat rotten kernels	1.49¾
Damp No. 2 northern	1.72¾
Damp No. 3 northern	1.70¾
Damp No. 4 northern	1.64¾
Damp No. 5 wheat	1.52¾
Damp No. 6 wheat	1.42¾
Damp feed	1.36¾
Damp No. 3 garnet	1.66¾
Damp No. 3 durum	1.70¾
Damp No. 4 durum	1.64¾
Damp No. 5 durum	1.52¾
Damp No. 6 durum	1.45¾
Damp No. 1 mixed grain	1.36¾
Damp No. 1 mixed wheat	1.53¾
Damp rejected No. 3 northern	1.62¾
Damp rejected No. 4 northern	1.58¾
Damp rejected No. 5 wheat	1.46¾
Damp rejected No. 6 wheat	1.36¾
Damp rejected No. 4 durum	1.58¾
Damp rejected No. 3 northern mixed heated	1.59¾
Damp rejected No. 4 northern mixed heated	1.55¾
Damp rejected No. 5 wheat mixed heated	1.43¾
Damp rejected No. 6 wheat mixed heated	1.33¾
Damp rejected feed mixed heated	1.27¾
Damp rejected No. 3 durum mixed heated	1.59¾
Damp rejected No. 4 durum mixed heated	1.55¾
Damp smutty No. 3 northern	1.60¾

	Price Per Bushel
Damp smutty No. 4 northern	1.56¾
Damp smutty No. 5 wheat	1.44¾
Damp smutty No. 5 durum	1.44¾
Damp sample red spring mixed heated	1.42¾
Damp sample durum mixed heated	1.42¾
Damp sample red spring mixed heated and heating	1.40¾
Damp sample red spring rotten kernels mixed heated	1.41¾
Tough sample garnet mixed heated	1.49¾
Tough sample red spring rotten kernels	1.49¾
Tough sample durum broken wheat	1.58¾

ST. JOHN AMBULANCE—ALLOCATION OF FUNDS IN CIVIL DEFENCE APPROPRIATIONS

Mr. Hees:

1. How much money has been allocated for St. John Ambulance training in Canadian civil defence appropriations?

2. What proportion of such will be allotted to the local defence of the Toronto and York district?

Mr. McCusker:

1. Authority has been given for an expenditure of not more than $99,000 for the training of civil defence workers in basic and advanced first aid through the facilities of the St. John Ambulance Association.

2. The amount to be allocated to individual target areas from the total amount allotted to each province is the responsibility of the province concerned.

NOVA SCOTIA—WAGES PAID BY MINE OPERATORS

Mr. Balcom:

Has the labour department appointed anyone to follow the inquiry set up by the province of Nova Scotia to study matters pertaining to wages as paid by independent mine operators?

Mr. Cote (Verdun-La Salle): The Department of Labour has not appointed an officer to "follow the inquiry" which is being conducted by the province of Nova Scotia into the wage rates and other matters affecting the operations of the independent coal mine operators in the province, but the department's officers in Nova Scotia, as a matter of routine, will be closely in touch with the inquiry.

GOLDEN SYRUP—IMPORTS FROM EIRE

Mr. Balcom:

1. Was any golden syrup imported since January 1, 1951, into Canada from the Irish Sugar Company, Mallow, county Cork, Eire?

2. If so (a) what quantity; (b) at what price; (c) what are the dates of customs entry?

3. Was entry made through the port of Halifax?

Mr. McIlraith:

1, 2 and 3. Golden syrup not classified for statistical purposes. No information available in the dominion bureau of statistics.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FOOD AND AGRICULTURE ORGANIZATION—CANADIAN REPRESENTATION AT ROME MEETING

Mr. Balcom:

1. How many delegates will accompany the Minister of Agriculture when he attends the FAO meeting at Rome?

2. What are the names of delegates and the departments with which they are connected?

3. Will there be a representative from the fisheries department?

4. If not, for what reason?

DEFENCE PRODUCTION—CONTRACTS TO VARIOUS AUTOMOBILE FIRMS

Mr. Thatcher:

1. Since June, 1950, what was the dollar value of contracts placed with each of the following companies: (a) Ford Motor Company; (b) General Motors; (c) Chrysler Motor Corporation; (d) Studebaker of Canada?

2. What is the value of the equipment that has been actually turned over to the defence forces, from each company?

HEALTH GRANTS FOR RESEARCH PURPOSES

Mr. Knowles:

1. What were the terms of each application for a grant for research purposes, made by the provinces under the federal health grants program since January 1, 1950, in those cases where such applications were refused, as specified in sessional paper No. 86-A of November 22, 1951?

2. What was the reason for the refusal in each such case?

GOVERNMENT EMPLOYEES—WEEKLY WORK PERIODS

Mr. Knowles:

1. What groups of employees working for agencies of the federal government, but not civil servants, are on the five-day week?

2. How many employees are involved in connection with each such agency?

3. How many weeks per year, in 1949, 1950 and 1951, have civil servants been on a five-day week?

4. Have representations been received by the government, since January 1, 1950, for the five-day week for civil servants the year round? If so, from whom?

5. What consideration has been given to such representations?

6. What progress is being made by the government in getting ready for a five-day week for all civil servants and all government employees?

AIR TRANSPORT

PURCHASE OF AIRCRAFT FROM ENGLAND

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce (Mr.

Howe) or his parliamentary assistant. Is the report correct that the government has ordered two jet-powered Comet airliners from the de Havilland company of England? If so, why was this aircraft preferred over the Avro jetliner developed by A. V. Roe Canada Limited with substantial government assistance? Have any orders been received for this Avro jetliner?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Defence Production): In the absence of the minister may I say that notice of the question has just come to my attention. I would prefer to let the question stand as notice, and give an answer later.

Mr. Coldwell: Very well.

WHEAT

ASSISTANCE TO FARMERS—MEETING IN REGINA

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask a question of the Prime Minister. Has he received a report from the Minister of Agriculture (Mr. Gardiner) of the meeting he held in Regina with provincial government representatives and farm leaders on methods of assistance to western farmers? Is the Prime Minister in a position to announce financial aid to farmers on unthreshed grain as forecast by the Minister of Trade and Commerce on November 15?

Right Hon. L. S. St. Laurent (Prime Minister): The answer to both questions is no.

POSTAL SERVICE

PARCEL POST RATES TO FORCES IN KOREA AND EUROPE—SPECIAL FORCES LETTER

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to ask a question of the Postmaster General, of which I have given notice. What are the rates for parcel post from Canada to our forces in Korea and in Europe, and what is the maximum weight of each parcel that can be sent? Is the government giving consideration to reducing these rates and increasing the weight of parcels which can be sent?

Hon. Edouard Rinfret (Postmaster General): Mr. Speaker, I wish to thank the hon. member for having given me notice of his question. Whereas the civilian rates for parcel post from Canada to Korea range from 40 cents for one pound to $2.10 for ten pounds, the rate for the services is 15 cents a pound. This was introduced in October, 1950. About three weeks or a month ago we extended the same privilege at the same rate to our forces in Europe. The maximum weight of each parcel is ten pounds.

The answer to the second question is no.

Then, if I may be allowed, I am proud to be able to announce a special forces letter to be introduced on December 1, 1951, available for air communication to and from forces overseas, regardless of location. They are similar in form to our Canada air letter, but buff in colour. They are at present being distributed to all post offices, and will be supplied free to mailers upon request. The postal rate will be 5 cents as compared with 15 cents at the present time for one-quarter ounce to Europe, and 15 cents for the Canada air letter to Europe.

MING SUNG INDUSTRIAL COMPANY

USE OF CANADIAN FLAG

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the answer given in sessional paper 167-A, which was a reply to certain questions of the hon. member for Nanaimo (Mr. Pearkes) and a copy of which I have just received, I wish to ask a question of the Prime Minister, of which previous notice has not been given, but in regard to which he will have the facts available, without notice.

Has the government rescinded the order in council permitting certain ships operated by the Ming Sung Industrial Company Limited to fly the Canadian flag and have the privileges which this affords?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the answer at this time is no. The ships have not returned to Hong Kong, and it is not known by us just where they are at this time. Negotiation is going on with the representatives of the Ming Sung Company of Canada Limited. They have been informed that those ships cannot be allowed to carry on under Canadian registry, and as the banks have the mortgages registered against them the negotiations look to the transfer of register where there could also be transfer of registry of these mortgages. I have not within the last few days had any report as to the progress that has been made, but I know that these negotiations are on. Meantime representatives of the Ming Sung Company of Canada Limited have been informed that we cannot allow the ships to continue to operate under the Canadian flag.

Mr. Drew: I suggest to the Prime Minister that the information he has given and the fact that the Canadian government does not know where these ships are now is all

the more reason why permission to fly the flag should be cancelled immediately, and this shameful question brought to an end.

CHINA

INQUIRY AS TO PROHIBITION OF EXPORT OF CANADIAN FUNDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of Justice. On January 31 of this year and November 15 of this year I addressed questions to the Minister of Finance in regard to prohibiting the export of funds to communist China. The parliamentary assistant to the Minister of Finance on November 16 gave an answer which was not very satisfactory. I am asking the Minister of Justice now whether, owing to the fact that Chinese in Peterborough have had demands made on them to the extent of $5,000 and $2,500 within the last two or three weeks, from relatives in China, he will look into the matter and see what can be done.

Hon. Stuart S. Garson (Minister of Justice): I would say in reply to the hon. member that we have already some time since looked into the matter. Since the blackmail in question takes place entirely within communist China, with which at the present time we have no diplomatic connections, it is difficult in this country to do anything about preventing blackmail in China.

Mr. Fraser: Owing to the fact that wires have been sent direct to these Chinese in Canada something should be done about it, something to check on it.

Mr. Garson: The hon. member has indicated in his first question that these demands came direct to citizens in Canada from relatives in China, and not from people who are blackmailing them. Therefore it would be difficult, I suggest,—and I think the hon. member would agree, upon reflection—to take any action within Canada which would prevent the commission of a crime in China.

Mr. Fraser: I know where amounts up to $9,000 have been demanded. Is there not some way that this money can be stopped from going to communist China?

Mr. Garson: I would be prepared to accommodate the hon. member in that regard, but I think that is a question which should be directed to the Department of Finance.

Mr. Fraser: Then I direct it to the parliamentary assistant to the Minister of Finance.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): The answer that I would give today is exactly the same as the answer I gave at an earlier time. The only effective way to stop money going to China would be for the United States government and ourselves not only to stop all remittances to China but to have a complete postal censorship as well to stop bills being sent. Obviously that is impossible under present circumstances. There is another feature which has been raised by the Chinese in Vancouver who are suffering from these blackmail attempts. There are many families in China who are dependent upon the weekly or monthly remittances made by heads of families in Canada who have lived here for many years, and to cut off all remittances would cause great hardship to these families.

Mr. J. H. Ferguson (Simcoe North): I should like to address a question to the Minister of Justice. Does he not think that the attitude of the House of Commons in connection with this particular Chinese question reminds him of the attitude of the Liberal party when the Ming Sung situation was first brought up?

Mr. Garson: The answer is "no".

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, November 26, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Quelch.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, in rising for the second time to take part in the debate on the address in reply to the speech from the throne, I wish to say a few words in favour of the amendment to the amendment proposed by the hon. member for Acadia (Mr. Quelch) requesting an increase in the amount of war veterans allowances.

In the constituency of Beauce, which I represent, it is known that I am pacifist in the proper sense of the word, and that I am opposed to this war psychosis which sometimes seems to be artificially, even deliberately, brought about.

Nevertheless I have the greatest admiration and the deepest sympathy for those who generously offer their lives for their country which they believe to be threatened or attacked.

At Remembrance day ceremonies held November 11 in the constituency of Beauce, I had the opportunity of reaffirming in the presence of hundreds of local veterans the admiration I personally feel for them and the feelings of pride the people of the whole constituency have towards them.

Wreaths were then laid by county officers, and by each of the parishes, at the foot of a splendid monument erected to the glorious memory of the Beauce county men who laid down their lives in the two world wars.

The perfectly organized ceremony was most touching. Whoever has not heard of the Chaudiere regiment's exploits really knows very little about the heroic history of French-Canadian servicemen. However, colourful ceremonies such as these remind us that our departed heroes left behind widows and orphans who need our help.

They also remind us that among those who survived the great adventure are some who can no longer earn their livelihood under normal conditions. Well, it is the duty of the state to be generous towards them and to remember that glory is not sufficient to quell hunger and to protect from cold and hardship.

I am therefore very happy about the statement made in this house by the Minister of Veterans Affairs on November 16. According to his statement the basic rate of veterans pensions will now be increased from $94 to $125. This, in my humble opinion, is very acceptable.

In the case of the married pensioner, the allowance to his wife will be increased from $31 to $45, which again seems very good to me.

In the case of children, however, I must voice my disapproval because the increase is practically insignificant, being only $1. The amount is increased from $19 to $20 for the first child and the others seem to have been forgotten. It is about the same in the case of widows' children.

I am quite satisfied with the 33 odd per cent increase in the pension to widows of pensioners.

I feel it my duty, however, to tell the government they should have laid more emphasis on child welfare, through a more substantial allowance, one in keeping with the new pensions granted to the father or mother. This would have enabled veterans and their families to live a more normal family life.

The minister will allow me, I presume, to call his attention to a matter which I consider very important. On the very day the minister announced the amendment to the war veterans Pension Act, the member for Kamloops (Mr. Fulton) asked if adopted children would benefit to the same extent as the others. The minister replied that he would gladly consider the matter. I am glad the minister did not answer immediately. If this question had been answered in the negative in such a Christian and civilized country as Canada, it would have been most unfortunate. I now urge the minister to study all the aspects of the problem before giving a definite answer.

The minister, whom I know as a man of sound ideas and for whom I have great respect, will surely not deny that the question of adoption is of primary importance in Canada and particularly in the province of Quebec. There is to this problem a moral as well as a social and in some respects even an economic aspect which our statesmen are in duty bound to scrutinize before coming to a decision.

As far as I am concerned I humbly and honestly believe that by all means adoption should be generally encouraged and favoured. One feels pity, and rightly so, for stateless aliens. How then can one remain indifferent to the undeserved misfortune befalling young children in this country who are without parents, without a family, without a home. Their past history does not matter. They are human beings like ourselves; they have a soul and a mind like other people; they are the work of a single and universal Creator; they are Canadians and we are in duty bound to treat them as such. Fortunately, the acceptance of this duty provides, of itself, many consolations and deep happiness for those who are willing to fulfil it generously. There lies, for the government, an excellent opportunity of proving that they consider spiritual concepts as important as material concepts. I am therefore certain that the minister will meet no difficulty in convincing his colleagues in the cabinet that an allowance must be granted for adopted children, as it is for others.

Mr. Speaker, I wish to add a few words about a subject which, to my mind, is equally

very important. I refer to the pressures now being exerted by Canadian milk producers in order to have the tariffs raised on imports of vegetable oils used in the manufacture of margarine.

It will readily be admitted that margarine constitutes a threat to the security of the butter market in Canada and consequently to the whole dairy industry, of which it is the main item.

Last April I quoted certain figures which I do not intend to repeat but which seemed, at the time, to be fairly conclusive. I have received more than 500 cards from the farmers of Beauce constituency, asking the government to protect the dairy industry against the admittance into Canada of vegetable oils. It seems to me that our leaders should study this request. Customs duties are raised all around to protect all kinds of manufactured goods. Why, then, should farmers not be allowed to claim for themselves tariff protection for a product essential to their survival? The farmers are a basic element in this country. Let us not jeopardize the economic security of our people by neglecting to take the necessary means to protect an essential part of our production.

The federal authorities are now considering the complaint made by Canadian textile manufacturers, to the effect that the dumping in Canada of 140,000 pairs of cotton gloves manufactured in Czechoslovakia is threatening the Canadian manufacturers. They are quite right. In my opinion, the Canadian textile worker must be protected and I am all the more interested in this because the constituency of Beauce has both large and small textile mills. I therefore hope the government will be in a position to settle the problem to the greater advantage of the Canadian manufacturer, of course, but especially for the protection of our workers who, otherwise, would suffer from unemployment and distress.

But why, then, should the same thing not be done to protect the product most essential to eastern Canada's agriculture? It seems to me that to consider seriously the problem is to have already solved it in part. I am convinced that milk producers generally will not have appealed in vain to the generosity of the government and of the Minister of Agriculture (Mr. Gardiner) in particular.

In conclusion, Mr. Speaker, I would like to discuss briefly a subject which is of great importance to the people of Quebec, I mean the report of the Massey commission on national development in the arts, letters and sciences.

At the time of confederation Quebec had refused legislative union in order to be in a better position to keep its characteristics intact and to keep on shaping its future in accordance with such characteristics. Of capital importance among these were education and teaching, so much so that the fathers of confederation took the trouble to write them out in section 93 of the British North America Act, thus making sure that that particular point of the mutual pact could never be modified in the future without the mutual consent of the contracting parties. Who will dare state that Quebec is ready to change that? Who will dare claim that the province of Quebec is ready to surrender to federal authorities part of its exclusive rights in the field of education at any level?

The report of the Massey commission can change nothing in this condition because the commission is not and has never been authorized to speak on behalf of Quebec. The scholarly lucubrations of a member of that commission, though he be from Quebec, will change nothing in it.

Mr. Cote (Matapedia-Matane): Mr. Speaker, may I ask the hon. member a question?

Mr. Poulin: I would rather not be interrupted, if you please. Problems such as schooling or education, academic schooling or popular schooling are too important, too essential to a people's soul, to be solved by playing on words or quibbling. Academic culture reflects the intellectual life of a nation, and popular culture the abundance of this life. The one is inseparable from the other, they are complementary. One represents the trunk, the other the branches, and the branches cannot be severed from the trunk without killing both. What standards will be set in determining which should be at the provincial level and which at the national level?

The Massey commission recommends assistance to the universities after agreement with the provinces. Why did it go into that problem after stating at first it was beyond its purview? And since they decided to study the problem after all, why did they not go the

whole way and show that our universities are in a bad way because the central government draws too great a share of the people's taxes, leaving the provincial treasury practically empty? In this regard, I cannot help quoting an article written by Andre Laurendeau in *Le Devoir* of November 20 last.

I quote:

> Having ascertained the financial difficulties of universities, the Massey commission did not wish to go further. On the contrary, it suggested that the central government do likewise, that is go beyond its jurisdiction and actually do away with the provinces and take over, with its billions, the field of strictly academic education.
>
> The Montreal chamber of commerce had suggested that the commissioners remind the central government of its duty of enabling the provinces to act, by the return of a substantial part of their tax fields.
>
> But the Massey commission carefully avoided this and thereby revealed its intentions.
>
> It speeds up the wheel of centralism, introducing centralism into a field where one never dreamt it would dare intrude: in the field of education. It seeks to introduce it into a position until then strongly guarded.

The commission proposed, it is true, an agreement with the provinces. But why seek agreement in a field of exclusive jurisdiction? If there is really no other way of proceeding, —and I cannot believe it is so—let the state give unconditionally and refund to the provinces what it has taken from them.

Mr. Lesage: The election fund!

Mr. Poulin: The remark of the hon. member for Montmagny-L'Islet (Mr. Lesage) is out of place. I am trying to stay above petty politics. In that connection, may I say that I have heard in this house speeches oozing with electoral anxiety. I am trying to rise above that and I shall not comment further on my hon. friend's remark.

Some may say that universities are willing to accept and even request federal aid which, sooner or later, in my humble opinion, will entail state supervision and control. My answer to that is that we forget the old saying: "It is no use preaching to a hungry man." I might add that a hungry man has no eyes to see. Besides the universities though, a large number of individuals and groups in Quebec are not so hungry that they have not kept their eyes and ears open and are unwilling to accept this logic in reverse. I might quote a few, for instance the Rev. Father Richard Arès, S.J., who said this:

> The Massey report is full of the generous intentions of its authors, but this generosity, after all, leads Canadians into temptation, by inviting them to admit into their own spheres of activity the state, and the federal state at that. There is a danger here that they will no longer be masters in their own house and will be like those people who let into their tent the proverbial camel.

I am also referring, without mentioning their names, to many journalists who contribute to the magazine *Relations*, to the Liberal Winnipeg *Free Press*, not to mention the University of Montreal Alumni Association, the Student Federation of the University of Montreal, the Montreal branch of the Societe Saint-Jean-Baptiste, the Federation of Junior Chambers of Commerce of the province of Quebec, the District of Montreal chamber of commerce, Mr. Rene Chaloult, independent M.L.A. for Quebec county, as well as others, and, finally, the Catholic Farmers' Union of Quebec, whose opinion—

An hon. Member: They haven't read the Massey report.

Mr. Poulin: —whose opinion, to my mind, is very important, since I have almost limitless faith in the common sense of our farmers.

We know what is going on today in the field of radio, which is controlled by a corporation of the federal government so dear to the heart of the members of the Massey commission. When the federal state has usurped the field of education, is it not to be feared that what is happening now in the C.B.C. will happen there and that we will be unable to make it stop?

I think that perhaps—and this will undoubtedly please the hon. member for Montmagny-L'Islet—we shall never have a central government better disposed about these matters than the one we have now. This statement, I hope, will also satisfy the hon. member for Bonaventure (Mr. Arsenault) who sees nothing but electoral concern in the views of those who express themselves freely on this admittedly debatable issue.

Mr. Lesage: That is unfair.

Mr. Arsenault: On a point of order, Mr. Speaker, the hon. member for Beauce should not ascribe such intentions to me. I do not ask him to withdraw his remarks but I wish to point out to him that it is not courteous to ascribe such intentions to one of his colleagues.

Mr. Poulin: Mr. Speaker, perhaps I have misunderstood the meaning of the remarks made by the hon. member for Bonaventure. He was evidently speaking with much more warmth than today. However, I have read his speech in *Hansard* and I gathered from certain portions of his speech that he accused

those who opposed the conclusions of the Massey report of having an eye to the electorate. If this interpretation is not in accordance with what he said, with great pleasure and great generosity towards the member who has interrupted, I withdraw what is false in my statement.

Mr. Arsenault: Hear, hear.

Mr. Poulin: Only yesterday, in this house, the Prime Minister (Mr. St. Laurent) gave us proof of his good will on a matter of this kind. Strangely enough, I do not hear any protest from the members opposite when I praise the government.

Mr. Arsenault: Which government?

Mr. Poulin: The present government.

Mr. Arsenault: Where?

Mr. Deputy Speaker: Order.

Mr. Poulin: I wish to quote yesterday's *Hansard*. In reply to the hon. member for Winnipeg North Centre (Mr. Knowles) who asked whether the government had given consideration to extending federal aid to education generally, the Prime Minister replied, and I quote from page 1355:

> I do not know that any such representations have been received. While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

In spite of the question asked by the hon. member—and there was nothing shameful in asking it—I believe the Prime Minister and leader of the present government was fully justified in taking the position he has just taken. That is why I have no apprehension whatever as far as the present government is concerned. But the Prime Minister and the present government are not eternal.

A Conservative government which might one day replace it, and which I would also believe to be well-disposed, under its present leader would not be any more eternal.

And then? And later? In 25, 50 years, what ideas, what principles or sense of opportunity will guide those statesmen who will then be at the helm in our country? I am not in the least concerned whether they be red or blue or even colourless, but how can we be sure that these men will be as full of good intentions as the present leaders of our great parties?

An hon. Member: Never!

Mr. Poulin: And should they not be well-disposed would they not be then provided with the most dangerous weapon ever? That is, to my mind, the very crux of the matter. We already know the past too well. Do we not have good reason to be worried about the future?

At the present time, even though the government is composed of well-disposed men, we see the officials of the C.B.C. allowing the airwaves to be used to warp altogether the education we wish to give to our children. What would it be if we had an ill-disposed government?

For instance, does Rev. Father Levesque, one of the commissioners, consider there is any appearance of common sense in letting a Chisholm, a Freud or a Cameron and others, with their materialistic and atheistic theories, use the facilities of the C.B.C. to indoctrinate the children of Canada and tell them the cause of our trouble lies in the fact that a distinction is made between the concept of good and the concept of evil? I speak subject to correction, but that is not what the good Father teaches. What means has he at his disposal to call a halt to such a scandal or to prevent its recurrence, if ever we succeed in bringing it to an end? What tactics does he suggest so that these nauseous outbursts will stop poisoning the air our children are breathing? Since he claims popular culture comes under the jurisdiction of the federal government, is he prepared, at least, to point out a few steps we could take to bring an end to such a state of affairs? Does he know where we should go in Ottawa, to meet a few bureaucrats or executives who might be in a position to understand the Quebec point of view?

Are we, in this respect, to be as successful as the member for Chicoutimi (Mr. Gagnon) and the member for Three Rivers (Mr. Balcer) were, when they asked for a wider use of French in our armed forces?

Is it not realized that in all these matters that deal with the very soul of a people there are always persons or circumstances that might seriously embarrass a government, even the most favourably disposed?

I am thinking of British Columbia, where the provincial government refuses to grant a charter to a Catholic university. Such is their conception of human rights and respect for minorities—

Mr. Arsenault: It is the provincial government which refuses that.

Mr. Poulin: —which certain public men talk about *ad nauseam*!

The time has come to remedy a situation already jeopardized. And those who, speaking authoritatively, would have us believe that

the central government has something to do with education and culture may well be responsible for encouraging that same government to deform and even to vitiate that which the provincial authority—the rights of which it has usurped—had been entrusted with, to keep, consolidate and perfect.

Mr. Speaker, I wish to state publicly that if I have mentioned here the name of Rev. Father Levesque, it was in his capacity as a member of a commission appointed by the government to deal with a matter of public interest. As the representative of a county it is my right and even my duty, I believe, to concern myself with that matter because I represent here parents who after all have the first say in the matter of the education of their children. I wish to assure Rev. Father Levesque and everybody, including the hon. member for Bonaventure, that after having accomplished a duty which was painful to me, I still have for that distinguished member of the clergy and for all other members of the clergy the same profound respect and the very high consideration that I have always tried to show them much more by my deeds than by my words.

May I add a few more words in reply to an allegation which was made in this house on November 19 by the hon. member for Kamouraska (Mr. Masse) and which is found at page 1171 of *Hansard:*

> When I see that for political reasons—

Such words evidently struck me.

> —the words of that worthy representative are quoted and an attempt is made to contradict them and to make people believe that he no longer holds his former beliefs, I am dumbfounded.

Mr. Speaker, I shall answer that by declaring that no political reasons have prompted the few remarks I am making today.

I am fairly well acquainted with the member for Kamouraska. I esteem greatly that very fine gentleman. He is a university professor who honours his faculty.

I am sure that he did not mean to be unfair and that his words went beyond his thoughts. Otherwise I would be compelled to quote good old Boileau:

> Can so much venom enter into the soul of such a sanctimonious man?

Mr. Speaker, I realize that, in endeavouring to be brief on this matter of the Massey commission, I have not by far covered the whole ground. I trust, at least, I have not been unfair to anyone.

[Mr. Poulin.]

Mr. Balcer: Would the member for Beauce allow me a question? When he said, a few moments ago, that the members of the present government were favourably inclined towards the minorities, did he have in mind the Minister of National Defence (Mr. Claxton)?

Mr. Poulin: I may have been misunderstood. When I said the present government was favourably inclined, it was mostly as regards education.

Mr. Edgar Leduc (Jacques Cartier): Mr. Speaker, it had not been my intention to take part in the debate on the speech from the throne. If I do so now, it is to give my views on two questions that have been discussed at some length in this house. I mean inflation and price controls.

May I first be permitted to associate myself with the congratulations previous speakers have tendered to the mover and seconder of the address in reply to the speech from the throne (Messrs. Cauchon and Simmons). They were well deserved congratulations and I am indeed proud and happy to repeat them personally.

We have heard members of the opposition talk about inflation and the high cost of living. They have even suggested resorting to controls, on the grounds that they were in force and proving beneficial in the United States.

According to many economists, price controls would prove neither useful nor commendable, in view of the widespread effects of the rise in prices in all countries. Only the people can put a stop to it.

What are the causes of inflation?

Who is adversely affected by it and to what extent? What can we do to put an end to it?

Inflation is not the cause of high prices. It is a result of price increases. Unless this fact is clearly understood by the millions of people concerned, their efforts to check inflation will be futile. Even economists cannot agree amongst themselves on a definition. Inflation is a result of the fact that people at the present time have enough money to buy many more goods than are available.

The amount of money available has tripled in ten years, while the production of goods has only doubled.

Thomas B. McCabe, chairman of the Federal Reserve Board, has said:

> Price and wage controls only serve to hide the source of inflation. There is a danger in that. By concealing the source, there is a tendency to weaken the people's will to get at the real cause of the evil. That is the danger today.

While admitting all this, there are some who say: I do not like high prices but I have never been as well off as I am now. That is no argument.

Thanks to the progress of science and to inventions, people now enjoy the benefits of increased production and better goods. If the workman produces more, more goods are available. Production would have been just as great without inflation.

The practical way to fight inflation would be to put in a day's work in proportion to the salary received. If everyone did that, we would have not only more goods but cheaper goods. We could thus produce better quality goods and offer them at better prices, while allowing a fair margin of profit to the manufacturer. They would not then be tempted to profiteer. Then we could avoid unnecessary expenses. Economy begins at home. This is no time to make non-essential expenditures. Certain expenditures could be postponed by the municipalities, the provinces and the federal government.

Above all we must save. Compulsory savings would be an effective weapon against inflation. It would be better to deprive ourselves now of a part of our income than for our widows to be barely able to live a few months on our insurance policies.

In closing, may I quote an article by William R. Biggs, the vice-president of the Bank of New York. This article is about controls in the United States and it compares the stand taken by the Canadian government to that taken by the government of the United States.

It deals with inflation and economy in the United States. I quote:

(Text):

Before we go to the direct methods of control, it is interesting to contrast our indirect controls with those of our neighbour, Canada. Canada has enacted additional personal and corporate income taxes and various sales and excise taxes, but has so imposed this additional taxation that almost 45 per cent of the increased tax revenue has been obtained from sales and excise taxes. Furthermore, Canada has not only had a surplus in every year since the war, but expects to have a surplus in the fiscal year ending March 31, 1952—and a substantial one in relation to the size of her budget. Her national debt has been reduced over 15 per cent since 1946.

Canada not only has increased her discount rate from 1½ per cent to 2 per cent, but she has been realistic in the matter of encouraging savings. Recognizing the importance of accelerated public saving, she has increased the rate paid on her savings bonds by about one-half of one per cent. In other words, Canada has acted upon the necessity of higher interest rates as part of a program to contain inflation. Again in Canada really tough instalment selling terms have been laid down. As just one example, the down payment for a new or used automobile is 50 per cent with only twelve months to pay.

Because of the concentration of banking into a few large banks in Canada, with branches throughout the country, the Canadian credit control system, which seeks to limit bank loans to last year's levels, has been particularly effective.

Canada has also adopted a very ingenious plan for discouraging unnecessary capital expenditures. No depreciation on new construction or new equipment will be allowed as a deduction for income tax purposes for a four-year period commencing April 1, 1951, except in certain categories considered essential to defence or basic to national development. This should prove to be, over the long run, an extremely effective way of reducing unnecessary capital expenditures and, hence, should relieve the strain on the supply of raw materials.

These indirect controls add up to an effective program which has some real teeth in it. They have also the great advantage over direct controls of not requiring a great build-up in bureaucracy to operate and enforce them. In connection with the effectiveness of the Canadian program, it should be realized that inflation in Canada, as in the rest of the world, is affected most importantly by rising prices in this country.

Our indirect controls in the United States have been so inadequate that we have turned to direct controls. Our direct control system is built around the allocation of raw materials, price and wage ceilings. Had we set ourselves the task of attempting to control the prices and distribution of a limited number of essential raw materials, there might have been some hope for the success of such a program. Our planners, instead of proceeding on a selective basis, have put most of the economy under their so-called price and wage controls. There is obviously little or no hope of enforcing such controls under less than all-out war conditions. From our experience after the last war we all know how difficult it was to control prices, particularly without rationing. But this should not have surprised us, as such has been the experience of controllers over hundreds of years.

(Translation):

According to a foreign economist who should know, Canada did well and is winning admiration abroad.

Why then these repeated criticisms whereby the opposition tries to have people believe nothing is going well in this country? If we consider our present situation and the present difficulties caused by the cold war and the defence preparations necessary to our protection and our survival, these criticisms should not be taken seriously.

In most cases I have found that the criticisms of the opposition were directed at the fact that the government was not spending more on many projects.

We find proof of this in their constant request for higher expenditures for national defence and for increased grants, while they regret the inadequacy of old age pensions.

In other words, the opposition would have the people believe that it is ready to give them more than the government is prepared

to give. However, they also criticize the taxation set-up, which shows the inconsistency of their criticisms.

I am convinced that the Liberal government is doing its best under present circumstances and I am pleased to give it my humble support.

(Text):

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, a few years ago, the Prime Minister (Mr. St. Laurent) when he was secretary of state for external affairs made a speech in Hamilton. He was speaking to the politics club of McMaster university. In the course of his address he dealt quite extensively with the matter of housing, and he gave us his opinion as to how the housing problem, which is greater now than it was then, should be tackled. But what was clear and explicit in his speech was the fact that he was opposed to subsidized housing. The right hon. gentleman said:

> I'm against subsidized housing because it would be available to a few privileged ones.

Of course there he showed a complete lack of knowledge of the whole philosophy behind the concept of subsidized housing; for it is not designed to help the privileged ones but rather the underprivileged. He went on to say:

> It would be risking temptation to put into the hands of politicians a few thousand houses which could be given to certain persons. It would be a temptation to buy votes.

That was rather an unhappy aspersion, I suppose, upon his own colleagues; but I did not believe it then and I do not believe it now because of course subsidized housing would be handled by the municipalities or else by the provincial governments concerned. I point that out to show that the right hon. gentleman was sincerely opposed to subsidized housing and yet the government of which he is the head today is prepared to support subsidized housing. In other words, the right hon. gentleman changes with the years, as does the party of which he is the head.

The interesting fact about the Liberal party is that it thrives on theft. The more ideas it can steal from the C.C.F. platform the happier it is and the more successful it seems to be. I have no objection to that whatsoever when those ideas lead to increases in the welfare of the Canadian people; but I think it only fair to say that the Liberal party does resemble somewhat a jackdaw in its acquisitive instincts. But yesterday the Prime Minister made another categorical statement. The hon. member for Winnipeg North Centre (Mr. Knowles) asked him in effect what was the government's approach to federal aid to education. The Prime Minister again spoke quite forthrightly and he said as reported at page 1355 of *Hansard*:

> While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

Or to put it in a more peremptory way, the answer would be no. Well, I have no doubt that within a few years' time—this is not a matter of prophecy; it is a matter of fact—whatever government is in power in Canada will be entering into negotiations with the various provinces to assist education, not in the sense that anyone will attempt to take away one iota of provincial jurisdiction in the matter of education; but the fact is that the provinces and the municipalities need help if we are going to have the same high standard of education that we desire across this country. And so I think once again we shall find the Prime Minister—if he is then Prime Minister—eating his words. We shall again find the Liberal party espousing causes which were first of all presented to the house by this group, the C.C.F. party.

With respect to the demand for federal grants for education, let me place on the record this letter to which the hon. member for Winnipeg North Centre referred yesterday, and which the four Winnipeg members of parliament received from Mr. A. F. Allden, secretary-treasurer of the Winnipeg school board. It states:

> Dear Sir:
>
> Re: Federal government grants to education
>
> I beg to inform you that at the regular meeting of the school board held on the 20th instant, the following resolution was adopted:

The letter is dated November 23, 1951.

> "Whereas the burden of taxation is becoming a problem to the small home owner in the city of Winnipeg;
>
> "And whereas the aid received from the provincial government of Manitoba toward the educational costs of Winnipeg is almost negligible;
>
> "And whereas the educational costs are a large part of the Winnipeg city budget;
>
> "Now therefore be it resolved that the Winnipeg school board request the federal government to extend grants in aid to education and that a copy of this resolution be forwarded to all Winnipeg members of parliament asking them to support this request at this session of parliament."

Of course we do request that. I have already informed the Winnipeg school board that my colleague, the hon. member for Saskatoon (Mr. Knight), who has led this fight for federal aid to education, will carry on that struggle again next year.

Another matter about which I wish to speak is the plight of recipients of war veterans allowances. I support wholeheartedly the amendment before the house. In this connection I should like to read again

part of the brief presented by the Canadian Legion. One of the most interesting facts about briefs which have been presented by the Legion to various parliamentary committees has been their dignity and their air of reasonableness in the requests for those things they consider right and proper, which I am sure the rest of us consider in exactly the same way. The Legion recommended:

1. That the basic rate of our war veterans allowance be increased to $50 a month for single recipients and $100 a month for married recipients, and that the income from other sources be permitted up to $250 for a single person for a year, and $500 for a married one.
2. That where a recipient is permanently and completely unemployable and has no other income, the W.V.A. rate be $60 for a single person and $120 for a married veteran.
3. That consideration be given to the plight of children whose parents are on W.V.A.
4. That W.V.A. benefits be extended to Canadian veterans living outside Canada.

The reason for these grants or allowances is that those who receive them are suffering ill health today because of service in the forces. But their incapacity is such that they cannot obtain a pension. I am sure every hon. member has on his desk many piteous letters setting out the plight of these people.

Meantime the government continues to do nothing. The attitude of the government toward these people is nothing short of niggardly. Today a married veteran under this allowance receives $70, whereas before the war he received $40. But that $40 bought much more than the $70 he receives today. It is pointed out in the brief that the Legion is asking $50 for single returned men and $100 for married men.

Why do they do that? The answer is that they must receive that minimum because of the government's fiscal policy. It has decided not to introduce any controls or subsidies to curtail the cost of living. As a matter of deliberate policy the government is permitting prices to rise and those who are on pensions and allowances are suffering most severely. If the government is prepared to carry out this policy, then it ought to be prepared to fulfil its obligation toward those who are receiving these allowances that is to increase their purchasing power.

The only answer we get is that there will be a committee next year to study the matter. The need is going to be great next year, let there be no doubt about that. But it is just as great today. Many of these people cannot afford to wait until perhaps next June, when a committee may give its approval to some increase. If the government was prepared to increase the amount paid to war pensioners, then there is no reason why it could not have gone ahead and increased these allowances under the War Veterans Allowance Act.

As the hon. member for Melfort (Mr. Wright) pointed out the other evening, those who are in receipt of these allowances are individuals who contributed in no small way to the welfare of Canada. They have contributed through their years of service and through impaired health, and they have a moral right to ask for greater consideration than they are now receiving.

I do not know why the government is not prepared to yield to the request of the Legion and the request of many hon. members that this allowance be increased. It cannot be a lack of money. Obviously, we are going to finish up this year with a large surplus and there would be more than enough to pay an increase in war veterans allowances. Nor do I think the reason is expenditures on defence. We realize the money being spent on defence is an essential expenditure; but let us remember also that we have a responsibility to those who are in need today, the very men who defended us.

Mr. Rodney Adamson (York West): Mr. Speaker, I rise to discuss a problem of great importance, one with which I shall deal through the medium of a single case. I refer to the whole question and problem of security and loyalty. I shall refer in detail to the case of one Robert Jackson, to which I referred briefly on an earlier occasion in the house. In discussing this matter I shall require to use a certain amount of evidence now before me, and I trust hon. members who are present will bear with me while some of this material is placed on record.

I had considered moving the adjournment of the house to discuss this matter, because its importance far transcends the single individual with whose case I shall deal this afternoon. I would also suggest to the government through you, Mr. Speaker, that at this session, owing to the fact that there is no budget, private members do not have the opportunity to raise grievances. Without a budget there are no motions to go into supply and therefore no opportunities to express these grievances.

I speak therefore in this debate on the speech from the throne, despite the fact that at the present time speeches at this stage of the debate have about the same effect as spitting into the Pacific ocean would have in raising the level of that body of water. The fact that there are only twenty-four members in the chamber at this time, only four more than a quorum, emphasizes my point.

I shall recapitulate briefly the facts concerning Jackson. He was discharged from the A. V. Roe Company in Malton on the orders of the security officials of the department. He was given no reason whatsoever for his discharge, and all attempts he has made so far to find out the reason for his discharge have failed. I might add that all attempts I have made through the Minister of Justice (Mr. Garson) have also failed, because of the policy of the government.

I believe that policy is wrong, that it is basically unfair and unjust and, furthermore, that it does not improve either security or loyalty. In fact it is the very opposite. I left Malton this morning where I was interviewed by one or two people whose names unfortunately I cannot give. They told me that the case had caused considerable unrest among the workers in this defence plant.

After Jackson saw me I took the trouble to go into his background. He served for approximately four years overseas with the Royal Canadian Artillery. I took the trouble to find out from his officers of that time and his associates what they thought of him and with your permission there is certain information which I think would be useful that I should like to place on the record. The first letter I have is from his former commanding officer, Colonel C. D. Crowe, who at the present time is the director of development, department of travel and publicity, government of Ontario. I would not mind tabling this letter if any hon. member wishes me to do so, but I have it here and to save time I shall read the pertinent parts. Colonel Crowe says:

I believe you have taken interest in the case of Mr. G. R. Jackson, 699 Jane street, Toronto, who was recently dismissed from his employment at the Avro plant, Malton, for alleged security reasons, the nature of which he has been kept in ignorance.

I will not recount the details of the case as I believe you have them in full. The iniquity of the matter to me seems to lie in the brush-off this man got at the hands of the security official he succeeded in interviewing at Ottawa.

This official, Jackson states, displayed complete familiarity with his army file, and after talking around that for a while, came out with the statement that the grounds for dismissal had nothing to do with army service but with some alleged devious activity Jackson is supposed to have indulged in in England.

He would not elaborate. My own suspicion is that some ill-wisher has placed a statement on Jackson's record under a promise of anonymity.

At my suggestion, I see that Jackson has given his story to the local press some days ago. I am writing now at his request to express the hope that you will pursue this matter to finality and to tell you that in my belief you can do so with complete confidence as far as Jackson's character is concerned. I simply cannot picture him in the role of communist sympathizer, and I am sure his spare time in England was devoted to his own amusements, like most soldiers, and not to attending subversive meetings.

[Mr. Adamson.]

I commanded his unit for four months in Canada and then for two years in England (11th Canadian Army Field Regiment, Royal Canadian Army). When he came into my office I immediately remembered him very clearly. In my time he had the rank of lance-sergeant and was employed as a "gun-position officer's assistant" which called for a fair education (plane trigonometry) and general reliability and know-how.

I remember dealing summarily with two or three charges against him—overstaying leave, leaving the guard room when in command of a guard and things of that order. His main fault was probably being too mouthy but there was nothing sly about him—a plain extrovert.

I have questioned him at some length here and have formed the conclusion that in this case the present government's celebrated "screening" machinery has slipped badly and that injustice has been done. This injustice could only be corrected if officialdom would come clean and tell the man what they have against him and give him a chance to refute or explain the allegation.

I am certain that in taking up his case you are on sound ground.

Yours very truly,

C. D. Crowe
Lieutenant Colonel RCA (Ret.).

I have another letter from a personal friend of mine, W. E. Fleury, of Fleury and Arthur, well-known architects. Mr. Fleury writes to me personally as follows:

Dear Rodney:

I understand from Jackson that you are investigating the case of his dismissal from the A. V. Roe Canada Limited on grounds of alleged subversive activities in England during the last war.

He dropped into my office on Friday last, November 16, and mentioned that you would be pleased to receive any comments which I—as a former officer of his—would care to make to you.

Jackson was a member of the battery in which I enlisted in December, 1939, and had become a lance-sergeant (C.P.O.A.) before the time when I left the regiment in January, 1941.

During that time there certainly was no indication of any extra-regimental activities by Jackson to my knowledge, and I have since spoken to one or two officers who were in the regiment at that time, and they have indicated that they were unaware of it—if any such activities were taking place.

I may say that Jackson carried out his duties efficiently, and if any criticism were to be made, it would probably be that he had a tendency to be a bit of a barrack-room lawyer and a trifle oververbose at times.

I should be pleased to hear from you, if it is not too much trouble, whatever developments arise out of your enquiries. For while naturally one cannot know all the circumstances concerning a man's activities outside of the regiment, I should be very surprised to learn that Jackson was indulging in subversive work during the time when I knew him in the regiment.

With kindest regards

Yours very sincerely,
W. E. Fleury

I have another letter from Professor J. Fisher of Victoria University. He states that he is a professor of English and was visited by Jackson who had served under him. He then goes on to say in part:

What I have to say about him (Jackson) relates to the year 1940 only. On Dec. 14 of that year, I

was posted to OCTU as an officer cadet, and I eventually served with the 1st Fd. Regt. But although I did not to my knowledge see him again while we were overseas, I was in close and continuous contact with him during most of 1940. The big events of that year, you will remember, were Dunkirk and the battle of Britain; throughout the critical months involved, Jackson and I were in the same regiment, the same battery, the same troop, and the same command post; and in view of the fact that all of us were being kept on the alert against fifth columnist activities as well as against invasion, it is hardly likely that Jackson could have done anything suspect without my knowing it.

He then goes on to give his opinion of Jackson, and continues:

I have made every effort to remember anything at all that might cast suspicion on Jackson's reliability in the insecure world of 1951. Having done so, I cannot recall any such thing. It is significant that when I read his letter to the press, I concluded that some other Jackson must be the man in trouble.

I remember, as his only fault, that he could be stubborn. But stubbornness is a good fault in a soldier, and Jackson was stubborn in a harmless way.

I have another letter from R. B. Dale-Harris of McDonald, Currie and Company, well-known chartered accountants in Toronto, who says:

Dear Mr. Adamson:

It has come to my notice that there has been a considerable amount of disturbance and discussion over the dismissal of a certain employee of the A. V. Roe Canada Limited, one Jackson by name.

I have no knowledge of Jackson's present standing in the community nor do I know whether or not he has any particular political leanings. He was, however, well known to me in the army in 1940 and 1941 when he was serving in the same unit as I in England. At that time he was a satisfactory and dependable soldier, and I should have expected him to become a responsible and loyal citizen on discharge.

In the hope the above may be of some use to you, I am

Yours sincerely,

R. B. Dale-Harris

There are several others, all from responsible persons. There is one from an N.C.O. who served with him. I think it is pertinent to quote the last paragraph. He says:

The state of affairs indicated by this case should be adequately corrected and in a hurry for the protection of the public. Since I doubt most decidedly that anyone can openly point to anything subversive in regard to Jackson, he should be immediately reinstated in his job with suitable public retraction and reimbursement to clear his name. Please note that time counts with the small man. He cannot wait for weeks and months for justice to function. Jackson is already heavily out of pocket. I and my friends will be following closely the steps taken to correct these inroads on our democratic ways and to get justice for Jackson in particular.

Yours very truly,

K. Cooper
ex L/Sgt. 9th Bty., 11th Cdn. A.F. Regt.

The addresses are all given in these letters. I think that shows that at least there is a very grave question as to the position taken by the government. His commanding officer, battery commander, troop commander and an N.C.O. who served with him, as well as others who know him more recently, have come to me because I was interested in the case and have said that they know nothing subversive whatsoever about Jackson. Apparently he is being accused of some sort of activity that took place during the war and no opportunity has been given this man to refute these allegations which have cost him his job and his livelihood.

The whole question of loyalty and security is a matter of enormous importance to this house and the people of Canada. In my capacity as a security officer during the war I had a lot to do with the matter of security and loyalty and I am perhaps in a position to discuss this matter with a certain background and knowledge of the problems at stake. I want for the sake of illustration to put on the record part of an article in the form of an interview appearing in the *U.S. News and World Report* of November 23. It is an interview with Hiram Bingham, chairman of the United States loyalty board and is entitled, "Catching the Disloyal". He gives certain very definite answers to questions which I think are of great importance to us in Canada.

I am not one who advocates that we should in any way follow what they are doing in the United States. In fact I have been, if anything, one who believes in our standing on our own feet more than we are. However, they have this problem and they have been trying to meet it. They have had it to a far more serious degree than we have in Canada, and I commend to the house the whole article and the answers given by the chairman of the board. It reads in part:

Q. As chairman of the loyalty review board, Mr. Bingham, your work is to review the work of the 100 or more loyalty boards—is that right?

A. Our first job is to lay down rules and regulations so as to make the whole procedure of the loyalty program uniform. The department and agency boards had been doing different things, so we were instructed by the president to lay down the rules and regulations for the entire program. Also we are the highest board of appeal for any persons adjudged ineligible by lower boards and by the heads of the different departments and agencies. Also we review under what's known as "post audit" cases that are cleared by the lower boards after full field investigation.

Q. Your board doesn't have any investigating machinery itself?

A. No. The F.B.I. is the sole investigating agency under the loyalty program. Loyalty boards don't investigate; they weigh the reports received from the F.B.I., hold hearings as necessary and decide loyalty cases.

Q. You have two main considerations, loyalty and security?

A. No, we have nothing to do with security.

Q. What is the difference between the two as you see it?

A. Security is much broader than loyalty.

I shall come to that in a minute. Then the interview continues, and I shall read only a few of the pertinent questions and answers.

Q. What about all this that you hear about some employee being accused and not having any information given to him as to where the charges arise from?

A. Those cases, so far as I have been able to discover, are mostly in the security field, where you don't have to give specific charges, where under the law the head of any one of the ten departments and agencies mentioned, and any others the president may put in, may be told by his security officer—they all have security officers—that he is a "security risk". The head of the agency may suspend him. I have known of cases where a man got a letter telling him that he had been suspended and the reason that he had been suspended was too confidential to tell him. There is something wrong about that, but that has nothing to do with loyalty.

There again you see that the question of dismissal on security grounds also exists in the United States, but when anybody is dismissed in the United States he has an opportunity to state his case, not through the loyalty board but through the officials of the security board of his own department. That is bad enough, but in Canada a man so discharged gets no opportunity at all to state his case to anyone. The article continues:

Q. Why isn't your board empowered to consider the security risk?

A. The president, in the last paragraph of executive order 9835, says, "You will have nothing to do with security cases".

Q. But why is that?

A. It may be because the acts of congress relating to security matters gave the authority to dismiss for security reasons to only a few departments and agencies, whereas the order establishing the loyalty review board is more comprehensive.

Q. Wouldn't it be better if just one board did it?

A. It would be much better, in my opinion. There are a number of times when our panel is in doubt about a person but cannot say that there is a reasonable doubt.

Then it goes on to discuss communist agents and the futility of administering an oath of loyalty to anybody who is a communist. I will not read that part but it is of great importance. I come now to the actions of the board, and it reads as follows:

Q. They have what they call "security officers"—

He is referring to the individual departments of the United States.

—in a department, for example. Do their reports go to a loyalty board?

A. No, that's security. But in most departments it is the same board. In the state department the board is called the loyalty and security board. The commerce department is the only one that separates them, and has a loyalty board and a security board.

Q. Such a double board, then, might know from security channels damaging facts that could be used in judgment on the loyalty question?

A. Yes.

[Mr. Adamson.]

Q. Does anybody keep any check on the disloyal former employees, what becomes of them afterwards, where they go to get jobs, whether they drift back into these communist-front organizations?

A. No.

Then it goes on, and I will read one more passage. It is as follows:

Q. How do they (the discharged employees) make a living?

A. Having chosen to act in a manner which led the loyalty review board to find a reasonable doubt as to their loyalty, they have put themselves in a very bad position to get a job requiring loyalty . . . and find it extremely hard to get subsequent employment.

Q. When they are dismissed from the government, they are dismissed because they are assumed to be dangerous, or disloyal, and then they go somewhere else to get a job where they might continue their disloyalty?

A. They have to try to get a job. We never publish the names. We give no publicity to any of our activities. If there's any publicity, it is all given by the man himself or his counsel.

Mr. McCulloch: Mr. Speaker, on a question of privilege may I ask if the hon. member is supposed to read from a magazine to such an extent that the quotation constitutes the whole speech?

Mr. Deputy Speaker: The hon. member has been reading quotations from a magazine. I think he has given the quotations and is coming to the end.

Mr. Adamson: Yes, Mr. Speaker, I am coming to the end shortly. I am doing this in order to show the set-up of the loyalty boards and the security machinery in the United States. This is hardly an editorial. It is merely the statement of the head of the loyalty board in the United States. It goes on to say that a man, if discharged for security or disloyalty reasons, has great difficulty, and in fact finds it impossible to get a job after he has been so discharged. I continue the quotation:

Problem of unfairness

Q. But can't there be some way for all the problems to be dealt with centrally?

That is, loyalty and security.

A. The only criticism that I have to make of the program as it is at present is that the individual has no right of appeal from a decision on security outside the agency. If the security officer makes up his mind that this person is a bad risk, that person can be heard by the agency, but—perhaps you remember in the middle of July the president decided that this question needed investigation by the national security council. He is the chairman of it himself. About the middle of July he wrote a letter to the executive secretary of the national security council, asking the council to investigate the question of security and the charges of unfairness, and to make recommendations to see if anything should be done about it.

In the United States you have the question raised about unfairness but there, if a man is discharged as a bad security risk, he has

an opportunity to appeal and to be heard by the security board of the department in which he is employed. Nothing like that procedure exists in Canada. He has no opportunity at all. He is discharged and he has no redress and no opportunity to answer, not charges that he knows of but charges that he does not know of. In my opinion that is an intolerable miscarriage of justice. As to the question of loyalty and security, there are basic differences between them but both can be treated by the same machinery. I want to say that nothing I propose to suggest will in any way give away the hand of the security officers or the subversive activity officers engaged in the various departments of government or in the Royal Canadian Mounted Police. The thing can be done without in any way disclosing the operations of any undercover individual who may be working at the present time in Canada.

There are today three basic freedoms: freedom of life; freedom of the person, generally known as habeas corpus; and the freedom to work. To take away any of them in this modern age results in a failure of essential justice. In fact, it is much worse; it is the act of a dictatorship. Today if a man is discharged for security or loyalty reasons he finds it virtually impossible to obtain further employment. When he goes to a prospective employer the first questions he is asked are: Where did you work before? Why did you leave? Then the immediate answer to the employee discharged for security reasons is: Oh, we want no communists here; and that is the natural answer. The result is that the man does not get a job. Unless that man has an opportunity to hear the charges raised against him, and answer them if he can, it is impossible for him to obtain a livelihood in Canada today. If he is a communist, I have no mercy on him. He is a declared enemy of mine, and nothing I can do or would advocate doing to keep him out of our society could be sufficiently drastic. But it is basic that you cannot accuse a man of anything, and thus deprive him of his right to make a living, without letting him know what he is accused of doing. That, Mr. Speaker, is a basic principle of justice. It is the third great freedom; and in this economic age of our civilization it is as basic as the other two.

I want to make a suggestion to the government, and it is this. I suggest that there be established panels of personnel available to sit on security and loyalty boards, and that no man be discharged for security or loyalty reasons without having an opportunity to state his case before one of those boards. I would suggest that the composition of those boards be something like this. I suggest that there be set up in the department in question a panel of personnel from which the boards may be chosen. In other words the Department of National Defence would have a panel of personnel who could be drawn on to form the membership of these boards; the Department of Defence Production would have a panel of personnel, as would the Department of External Affairs and the other departments necessarily doing secret or what has been called classified work, from which personnel can be drawn. Second, I suggest that the Minister of Justice (Mr. Garson) have a panel of personnel drawn from persons of probity known to him and possibly known either through the mounted police dealing with security or legal counsel or others of good repute and sound judgment. I suggest that the third panel be chosen by the Speaker of the House of Commons. It need not necessarily be chosen from members of the House of Commons, but I feel that it should contain a fair number of members of this honourable house; because if there is any function we have today in Canada, and if there is any function any freely elected parliament has, it is to protect the freedom of the individual. The freedom of an individual can be in jeopardy from his own government just as easily as it can be in jeopardy from the government of an outside power. I suggest that these three panels be set up. When there is a case for investigation, one member from each of the three panels could be chosen as a board to review the case. The evidence against the individual could be given to the board, and he could appear to reply. Under this system there need be no disclosure of the methods by which the evidence was obtained. The board would deal with the case of each individual who appealed against his dismissal.

Under this method, Mr. Speaker, you would have security through the departmental member of the board who would know the type of work being done by the individual; you would have loyalty through the board member appointed by the Minister of Justice (Mr. Garson). Furthermore, through the appointment by the Speaker of this house you would safeguard the liberty of the individual. My knowledge of security, loyalty and subversive activities during the war was reasonably extensive. As district intelligence officer for the largest military district in Canada my office worked with the mounted police, who were entirely responsible for loyalty, security and subversive activities. The fact that there was so little subversive activity in Canada during the war illustrates the

effectiveness of the methods adopted by the mounted police, yet at no time do I remember a man being held without explanation. Essential justice for the individual was maintained during the war. Under this system justice for the individual is not being maintained. The government now can take away a man's livelihood; can make him a pariah amongst his fellows; can destroy his reputation and make him a social outcast; can take away his ability to earn, without ever letting him have an opportunity of answering the unknown charges which are made against him.

In all seriousness I say to this house it is an act of vicious dictatorship, perhaps thoughtless but nevertheless an act of dictatorship. If we are to carry on our fight against communism, we must continue our fight for freedom, justice, security and for the dignity of the individual. If we allow these things to be destroyed through the methods I have mentioned we are in very truth giving aid and comfort to the enemy.

Mr. R. E. Anderson (Norfolk): I must apologize, Mr. Speaker, for entering this debate at this late date, but there are a few matters I should like to bring to the attention of the house. I shall not take very long. This is my first attempt to bring my own county of Norfolk to the fore, and to speak for other tobacco growing counties within Canada.

First of all I should like to speak about tobacco growing in my area. The crop is grown on land that was submarginal or nonproductive for any other crop. This same submarginal land, and the tobacco growers, have contributed much to Canada's national economy. The hon. member for Fort William (Mr. McIvor), for whom I have great respect, had a resolution on the order paper earlier this year dealing with the evils of cigarette smoking for the very young. His points were well taken, but I am afraid tobacco is here to stay. This product does provide employment for a great number of people.

The business of growing tobacco started a good many years ago in Norfolk. For the first few years the venture was a failure, or nearly so. However, my people determined that they would not be beaten, and we have now one of the best flue-cured tobacco growing districts on the continent. Up to and including those first few years all flue-cured tobaccos were imported. At first sales for processing were carried on in large centres outside the province.

Several years ago this government started the dominion experimental substation at Delhi under Mr. Vickery. I believe this government should be complimented, because the station has done wonderful work by introducing new varieties that have stepped up the quality and production generally. In 1951 approximately 100 million pounds of tobacco were grown and sold within my own county.

Tobacco growers usually have to borrow money from the banks in order to cover the expense of growing their crops. The entire year's income is determined by one sale that lasts only a few minutes or at most an hour or so, usually with only a few buyers present. These farmers are in the same position as a labourer who works a full year without pay, borrows from the bank in order to live, and then takes whatever he can get at the end of the year, whether or not it is sufficient to repay the bank. Many of our growers find themselves in the position of not having enough to do that.

Today we have large tobacco processing factories in Simcoe and Delhi which employ hundreds of men and women. We have to contend with a short growing season and late spring frosts that sometimes ruin an entire planting. I recall that in 1949 the first planting froze; the second and third plantings dried out, and some farmers made a fourth planting before they got a stand of tobacco. These people would not be beaten. They worked all the daylight hours, not just an eight-hour day. Grandpa and everyone who could carry a plant or use a spade worked. Any touch of frost on tobacco ruins it and makes it unfit to cure. If it does go through the kiln once it has been frozen, it becomes so brittle it cannot be handled. The harvest cannot be hurried, and the crop must be taken as it ripens. A leaf that is too green is no good. Then there is hail and dry weather. All during the summer something was always happening to someone to spoil his crop. Wages are high, running as high as $13 a day in some instances, but generally $10 to $12. When a man employs ten to twenty workers you can see that it takes a lot of cash each day. This year the crop was sold at reasonable prices, even the part grown by the free-lance growers who are not in the Ontario tobacco growers' marketing board. I am thinking about the future.

That brings up the matter of cigarette prices. You can all remember that previous to the last war cigarettes retailed for 20 cents per package of twenty, and for a short time twenty-five for 20 cents. The price is now 42 cents in most of Canada, running as high as 46 to 47 cents in some provinces. The 42 cent price is arrived at by taxation, the manufacturers' part and the trade. There was a manufacturers' increase this year of 3 cents,

which brings the price, other than taxes, to 17 cents in Ontario. This 17 cents is almost as high as the price at which United States cigarettes sell. Our own tax here is higher than the United States price per package. The two added together amount to twice the United States price.

This brings up the question of smuggling. I am afraid it is on the increase, despite all the good work carried out by the Royal Canadian Mounted Police, who have so few men to cover the whole boundary line and check the smugglers from the United States who see an opportunity to make money by carrying to our side of the boundary millions and millions of United States cigarettes. Hundreds of thousands of these smuggled cigarettes are seized each year, as well as many cars and trucks, and sometimes teams of horses used in smuggling. We started out many years ago importing our entire needs, and grew from that to be an exporting nation. Great Britain takes large amounts each year. Now again we are importing tobacco in the form of United States cigarettes, illegally I admit, but just the same the fact remains that we are now again importing, and this should not be so.

I maintain, Mr. Speaker, that our own market should be kept as nearly as possible for our own growers and manufacturers, and our manufacturers should watch their own prices as well as the government tax. If you will permit me I should like to read an editorial from my own paper, the Simcoe *Reformer*, under date of November 26, which reads as follows:

> It is evident that tobacco growers are not the only ones to suffer by reason of slumping cigarettes sales, the result of excessive excise taxes. Press reports during the past week have announced that a sizeable group of employees were laid off by the Tuckett Tobacco Company in Hamilton, while in Montreal more than 200 employees of the Imperial Tobacco Company are joining the ranks of the unemployed and a similar lay-off in the company's Hamilton plant is anticipated. This serious situation is a direct consequence of exorbitant government taxation on Canadian-made cigarettes coupled with the wholesale smuggling of United States cigarettes into Canada. Withdrawals of cigarettes for consumption in Canada during September were down nearly 50 per cent, indicating the severe nature of the body-blow to the tobacco industry. Growers, manufacturers, employees, retail dealers and consumers are all being seriously affected by the excise tax of 62½ per cent levied by the federal government.

I do not know where this paper got that information, but they thought it was right.

One of the chief reasons our tax structure is so out of line with the United States is that when our own budget was brought down last April there was a bill before the United States congress proposing a sharp increase in cigarette taxation. This bill did not pass, at least in the original form. This brings up the question of our own taxation, and I would like to refer the house to *Hansard* of Friday, November 23, 1951 at page 1279, from which I quote. The leader of the opposition (Mr. Drew) asked the following question:

> I should like to direct a question to the Prime Minister. I recognize that he cannot go into too much explanation, since I have not given him notice of it. In view of the rumours started by certain circulars affecting the tobacco industry of this country, is there any intention of introducing what might be called an interim or "baby" budget during this session?

The Prime Minister replied:

> No, there is no such intention.

This may or may not indicate that no taxation change will be made this session; but no doubt, as is common with government policy, this matter will be under consideration and watched carefully before the next budget is brought down.

I have another matter on which I should like to speak for a little while. It is the problem of the dairy farmer. A few days ago in this house the matter of bank hours was under consideration and farmers did not take it kindly. I would like to point out here that dairy cows are milked twice daily. This brings milking time twelve hours apart, and a five-day week or an eight-hour day would not go well with the dairy farmer or his cow. Fluid milk is now becoming very high in price, and I am afraid that consumers will buy less and deprive children of the most complete food on the market today. I would point out, Mr. Speaker, that the farmer does not get over half the money that milk retails at, and he must own, feed and otherwise care for his cows, pay trucking to the city, pay veterinary bills, have part of the milk designated surplus and often have milk returned.

It is interesting to learn from responsible sources that in the period from 1945 to 1951 our population increased by 2 million, and in the same period our dairy cow population decreased by 456,300 head. Our total production is down by 1,200 million pounds, and our per capita consumption has dropped by 292 pounds. Our butter production decreased by 40 million pounds in the same period, and our cheese by 97 million pounds. Our population is increasing; our milk supply is decreasing. Is Canada to become a country that will have to import all its butter, and use its milk for home consumption? What are we doing about it? Not enough, I am afraid.

I hold in my hand a pamphlet from which I should like to read a few extracts. In 1949 we produced 74 million pounds of margarine in Canada. In the year 1951 we produced 105 million pounds. That production was up 31 million pounds. Butter, cheese and cows are down, but margarine is up.

Mr. Hodgson: Let us change the government.

Mr. Anderson: I quote the following:

> The lack of confidence on the part of 450,000 dairy farmers as to the future of the industry as a result of the unfair competition created by inadequate controls on substitutes manufactured from cheap foreign produced oils. (An increasingly large portion of these oils, at prices of only 12 cents to 15 cents per pound, are imported without duty of any kind. The balance, from a country which has banned the import of Canadian dairy products, pay duty of about 1½ cents a pound only.)
>
> The production, manufacture, processing and distribution of dairy products in some 2,000 dairy plants provide a direct or indirect livelihood to 17 per cent of our population. In contrast, dairy substitutes are produced by about ten companies, the majority of which are packing houses and large international soap concerns.
>
> The decline in the dairy industry has become so acute that in 1951 Canada, an agricultural country, imported 21 million pounds of butter; 10 million pounds of cheese; 6 million pounds of non-fat dry milk powder and was unable to supply sufficient fluid market milk to meet the demands of many urban centres in western Canada.
>
> Just a few years ago dairy products were among Canada's biggest exports. Today, with a deteriorating international situation we are not able to meet our own domestic needs. This is a national problem.
>
> Unless these trends are halted immediately, prices for all milk products as well as beef and veal (about half of which come from dairy herds) will become scarcer and more costly.

From the *Gazette*, under date of November 7, 1951, we get the following:

> The dairy industry is too important and too vital a source of food supplies to be allowed to expire, or nearly so, by a process of default and indifference.

There is another small matter I should like to bring to the attention of the house. I do not know how serious hon. members may consider it, but I think it is serious. I refer to the lowering of the water table in some parts of Canada. I know districts where gas wells have been drilled and farmers have had great difficulty in obtaining sufficient water for their livestock. Every new block of housing and every new industry coming to our cities and smaller towns adds to this difficulty. We are in a period of expansion that cannot and must not stop. I believe we are overlooking one important and never-ending source of supply, namely that provided by rainwater held in cisterns. Furthermore, it is free. The needs of any household, apart from cooking, could be taken care of in this inexpensive way.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I should like to say a few words with respect to the amendment to the amendment moved by the hon. member for Acadia (Mr. Quelch); and my words will be few indeed. First of all I should like to thank the government for the pension legislation for veterans. At the same time I was amazed to see that the government failed to recognize the need of another group of veterans who are in equally distressing circumstances, and who are often worse off than the pensioners. Speaking on this subject the hon. member for Melfort (Mr. Wright) said he was sure all members of the House of Commons who are veterans would support the amendment to the amendment. I fear, however, that after seeing the attitude taken by some government members last spring in the veterans committee I fail to share his optimism.

At the present time the war veterans allowance is $40.41 for single and $70.83 for married veterans. To say the least, these amounts are inadequate. The last increase in the war veterans allowance was given in 1948, when the cost of living index stood at about 155. The first representations for a further increase came in April of 1949, when the index stood at 160·8. The present index stands at 190·4; and there is no doubt in my mind that when the new index figure is given at the first of the month it will be even higher.

I should like to read briefly from the brief presented last spring to the veterans committee by the Canadian Legion. They said, in part:

> If we were consistent with our figures in 1947 we would now be asking for more than $65 for the single man and about $113 for the married person. We are, however, repeating our request for $50 for the individual and are asking $100 for the married couple. This departure from our former brief in regard to the married couple is noteworthy but it is made necessary by the cold facts of existence. Actually, according to the latest figures supplied by the Toronto welfare council as of November 1950 (which are appended to this brief), what we ask for is far below minimal living requirements. On the basis of that organization's research, a single veteran requires a minimum of $93.34 per month and a married veteran without children $153.43. It will be noted that the present rates are less than half of these minimal requirements and the W.V.A. which originally recognized that the condition of these men was attributable to war service, now functions on something less than a minimal relief basis.

This brief was presented last spring when the cost of living index stood at 179. As has been pointed out by previous speakers, and most ably by the hon. member for Acadia, the war veterans allowance now is worth far less than it was even at the $40 limit many years ago.

I agree wholeheartedly with the Legion and the other service organizations that this war veterans allowance should be boosted considerably. Also I agree it should be boosted at least to the amount asked for by service organizations. However, for my own part I would far rather see the war veterans allowance tied to the cost of living index and put on an escalator scale. Even if the increases asked for by the various veterans organizations were brought into effect the

veterans would still be getting less in purchasing power than they were in 1946, and prior to that.

Many of these people are living in abject poverty. I know personally of many cases where they just cannot get along. They are piling up debts; they cannot afford to buy fuel for the winter, and they are in very serious circumstances. In my opinion the means test should be abolished altogether in connection with the war veterans allowance. However, if the government is not willing to abolish it, then I suggest that at least it should increase the maximum of the war veterans allowance to the amount of the income tax exemption.

In many provinces today war veterans allowance recipients are getting far less than old age pensioners. For example, in my own province of Alberta they now receive $50 a month old age pension, plus medical, dental, optical and hospital care. Under the new old age pension legislation there will be no means test. I cannot see why the same should not apply to the recipients of war veterans allowances. These men were burnt out through rendering service to this country. They are being paid for a service that has been rendered and disabilities acquired as a result of that service. If so, they should be paid adequately.

I regret that the veterans committee was not set up at this session, but I would suggest that if the government insists that it should not be set up it could at least give an interim increase in the war veterans allowance, and then set up the committee at the next session to deal with the whole field of veterans legislation. I should like to repeat what was said by the hon. member for Peace River (Mr. Low) and again by the hon. member for Macleod (Mr. Hansell), that if the government will indicate its willingness to bring down legislation at this session to increase the war veterans allowance, we will be only too glad to withdraw our amendment so the veterans at least will have a square break.

When setting up the committee next spring I would hope the terms of reference would be broad enough to take in and adequately deal with all veterans legislation. For example, we have knowledge as to the plight of many of the widows and dependents of recipients who under the act should be receiving medical treatment. We would like also to see widows of imperial veterans who have lived here twenty years or more but whose husbands died prior to the twenty year period given allowances such as would be given to their husbands had they remained alive. We should like to see England declared to be a theatre of war during world war I so that many veterans who are suffering disabilities as a result of the conditions which obtained in England at that time may obtain benefits under this act. We should like to see those veterans who took up land under the soldier settlement scheme given clear title. All these things should be dealt with adequately when the veterans committee is set up, I hope early in the next session.

I should like to say one brief word about the Kurt Meyer case. Kurt Meyer was convicted of murdering nineteen Canadian boys during the last war or immediately afterward. He was convicted of ruthlessly slaughtering some of the best men we could have had in Canada. If the government does not agree that Kurt Meyer should be allowed to visit his family they should bring him back to Canada where they can keep an eye on him and have him remain where he belongs. If the government agrees that Kurt Meyer should be allowed to visit his wife and family on compassionate grounds, then they should follow the same line of reasoning and allow every murderer or life termer in Canada to go home for Christmas to see their families. If Kurt Meyer, a German murderer of Canadian boys, is permitted to go home to see his wife and family because he has not seen them for some time, surely convicted Canadian murderers should have the same right to visit their families over Christmas. This would apply particularly to those who are under sentence of death, not because they have not seen their families for some time but because when they do hang it will be a long time before they see them again. It is absolutely ridiculous that because a man is a general and is put in a military prison he should be given privileges denied to Canadian criminals. Kurt Meyer should be brought back to Canada immediately and placed in a prison here where the Canadian government can keep an eye on him. After all he has been sentenced, and he should have to serve that sentence.

Mr. O. L. Jones (Yale): Mr. Speaker, I should like to add my support to the amendment now before the house, but before doing so I should like to congratulate the minister and through him the cabinet for the generous response they have made to the pleas on behalf of the veterans. They have accepted practically all that the Legion and other veteran organizations asked for. The veterans generally are pleased with this increase in the disability pension, but they

are still unhappy about some of their comrades who have an equal claim on the government for pensions.

I refer to the burnt-out veterans. It has been well established for years that the majority of the men who served in any theatre of war underwent nervous strains because of the fear that most good soldiers felt at some time or another. The high explosive shells and other activities in the theatre of war had definite and lasting effects upon the fear-consciousness of individuals. Some soldiers were strong enough to withstand this impact and were able to come back with limb and mind sound; others came back with limb or mind damaged, while others gave their lives.

Those who have the marks of battle clearly visible or are able to establish physical disability in some form or other have received a fair and necessary adjustment of their claims for compensation. However, there are others whose disabilities cannot be so easily assessed. Some day medical science will be able to assess this type of mental and physical disability on an approved basis. In the meantime, it is known that these disabilities do exist and on the basis of this knowledge the government has granted allowances to burnt-out veterans.

The impairment to their body and mind is hard to assess, but it is known that this impairment exists and that their life expectancy has been shortened by several years. This fact is accepted by both the medical profession and the Department of Veterans Affairs. An examination of first war veterans who are still living today would furnish further proof of this contention if such were needed. You would find men of 50 and 55 years of age who are old men before their time. The rigours of war have left undeniable but unseen scars upon them. There are men who have suffered for years from these unassessed and uncompensated disabilities.

I claim that the government should remove these men from the classification they are now in, that is charity recipients or burnt-out pensioners. They should be placed in their proper category as disability pensioners. Many of these men have found from experience that their unseen disability has handicapped them on the labour market. They have already paid a heavy penalty through their inability to compete in the modern industrial world. We should look at this problem in its true light and realize that these are permanent disabilities just as much as a leg that has been amputated. We should regard these veterans who do not bear the visible scars of war as having equal rights with the disability pensioners.

[Mr. Jones.]

In my opinion these men are definitely and distinctly war casualties, and are entitled to pensions as such. In their case the same consideration should be given to the fact that the cost of living has gone up and the value of the dollar today is roughly only 50 cents. That is why I support this amendment which calls for an immediate increase in war veterans allowances. I should like to go further and ask the government to consider these war casualties as being undistinguishable under the act from those veterans who bear the marks of battle more plainly.

I urge that the government meet the request of the Canadian Legion. I should like to ask for more, but at least the minimum should be $50 a month for single men and $100 a month for married men. The minister should make a clear-cut announcement; then the mover of this subamendment might be willing to withdraw it. In any case before the vote is taken today a clear statement should be made that something will definitely be done for these veterans so that they may have the happy Christmas they deserve and which they have earned the hard way, working and fighting for you and me.

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

YEAS

Messrs:

Adamson
Argue
Balcer
Beyerstein
Black (Cumberland)
Blackmore
Blair
Brooks
Bryce
Casselman
Catherwood
Charlton
Churchill
Coldwell
Coyle
Dinsdale
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Gagnon
Gillis
Green
Hansell
Harkness
Hees
Herridge
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Murphy
Noseworthy
Nowlan
Poulin
Quelch
Shaw
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie—55.

NAYS

Messrs:

Anderson
Arsenault
Ashbourne
Bater
Beaudoin
Beaudry
Benidickson
Blanchette
Blue
Boisvert
Boivin
Bonnier

Bradette	Lapointe
Bradley	Leduc
Breithaupt	Lefrançois
Breton	Leger
Brisson	Lesage
Brown (Essex West)	Little
Bruneau	Macdonald (Edmonton East)
Byrne	MacDougall
Cameron	MacKenzie
Campney	MacLean (Cape Breton North and Victoria)
Cannon	MacNaught
Carter	McCubbin
Cauchon	McCulloch
Cavers	McCusker
Clark	McDonald (Parry Sound-Muskoka)
Corry	McIlraith
Cote (Matapedia-Matane)	McIvor
Cote (St. Jean-Iberville-Napierville)	McLean (Huron-Perth)
Cote (Verdun-La Salle)	McMillan
Cournoyer	McWilliam
Crestohl	Major
Croll	Maltais
Darroch	Martin
Dechene	Masse
Decore	Monette
Denis	Mott
Dewar	Murray (Cariboo)
Dion	Murray (Oxford)
Dube	Mutch
Dumas	Nixon
Eudes	Parent
Eyre	Pinard
Ferrie	Pouliot
Follwell	Proudfoot
Fournier (Hull)	Prudham
Fulford	Ratelle
Garland	Richard (St. Maurice-Lafleche)
Garson	Riley
Gauthier (Lake St. John)	Rinfret
Gauthier (Lapointe)	Roberge
Gauthier (Portneuf)	Robertson
Gauthier (Sudbury)	Robinson
George	Rochefort
Gibson	Rooney
Gingras	Ross (Hamilton East)
Gingues	Rousseau
Goode	St. Laurent
Gourd (Chapleau)	Simmons
Gregg	Sinclair
Harrison	Sinnott
Healy	Smith (Moose Mountain)
Hellyer	Smith (York North)
Helme	Stick
Henderson	Stuart (Charlotte)
Henry	Studer
Hetland	Tremblay
Hosking	Valois
Huffman	Viau
Hunter	Warren
Jeffery	Weaver
Jutras	Weir
Kickham	Welbourn
Kirk (Antigonish-Guysborough)	Whiteside
Lafontaine	Whitman
Laing	Winkler
Langlois (Berthier-Maskinonge)	Wood—145.
Langlois (Gaspe)	

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart), who is ill. Had I voted, I would have voted for the amendment to the amendment.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted for the amendment to the amendment.

Mr. Graydon: I was paired with the Secretary of State for External Affairs (Mr. Pearson). Had I voted, I would have voted for the amendment to the amendment.

Mr. Ferguson: Had it not been for the rubber stamp system of the Liberal party, the soldiers would have had a better break.

Mr. George H. Hees (Broadview): I believe, Mr. Speaker, that the contribution a member of parliament is able to make in this house depends to a large extent upon the contact he is able to maintain with his constituents during the session. This is an easy matter for those of us who live within three or four hundred miles of Ottawa, but I believe it is made unnecessarily difficult for those whose ridings are at greater distances.

I say "unnecessarily difficult" because if members who live more than three or four hundred miles away were given passes on Trans-Canada Air Lines they would be able to keep in close touch with their constituents, their families and their occupations, much as we who live close to Ottawa are able to do by rail. After all, it would affect less than half the members of this house. For instance, Mr. Speaker, I live in Toronto. I am able to leave Ottawa on Friday night at eleven o'clock and have breakfast in Toronto the next day. I leave Toronto early Sunday night, and I am here the next morning. This is very easy for those of us who live close to Ottawa. I believe there is no reason why air passes should not make it just as easy for those who live at greater distances.

As the business of parliament increases year by year and sessions become longer, even extending into two sessions a year as has been the case this year, it becomes increasingly important that members should be able to maintain close contact with their constituents, their families, and the occupations upon which they will have to rely to support themselves and their families should they be defeated at the polls. If members who live at great distances are not given air passes, I believe it will become increasingly difficult to get young men to stand for parliament, and it will become increasingly difficult for some sitting members to remain. If either is the case, I believe parliament will suffer. I urge upon the government, therefore, to give this matter serious consideration.

I should like to speak now on something which, although it does not come under the jurisdiction of this parliament, I believe does

more to bring the east and west together than anything we say or do in this house. I am speaking about the annual Grey cup football final. No one is more interested than I am in having that game played in Toronto, because I live within two blocks of the stadium. I have a nine-year-old daughter who operates a very lucrative parking business on our driveway, and I would have to answer to her if any change were made. In all fairness, however, I believe this game should alternate between the east and west each year. I believe, also, that the year it is played in the west it should be played in the city whose team won the western championship. When it is played in the east, I believe it should be played in the city whose team has won the eastern championship.

Although other stadiums are not as large as Toronto, it seems to me to be extremely important that those who have supported a team during the regular season should be able to see that team play in the final. I believe this consideration outweighs the greater gate receipts which could be obtained in the larger stadium. I believe it is important also for the west to have the game played out there just as often as we have it in the east. It would do easterners a great deal of good to make that trip every second year and sample western hospitality. Speaking as a member who was fortunate enough to be in the west this year, I can say that western hospitality is certainly everything it is said to be, and then some. I believe the great number who would make that trip every year would ultimately bring the east and west closer together.

I appeal to the football clubs and the directors of the C.R.U. to realize that this game is not merely a game of football, but is now an important national event. I believe these people would be making a contribution to Canadian unity, as well as winning the approval of those who support the teams during the regular season, if they would follow the suggestion I have made.

Mr. R. R. Knight (Saskatoon): I was keenly disappointed, and indeed hurt, by the categorical and adamant reply given by the Prime Minister (Mr. St. Laurent) to the hon. member for Winnipeg North Centre (Mr. Knowles) when the latter drew to the Prime Minister's attention the request from some educational body in Winnipeg for the extension of federal aid in the realm of general education. I have not the Prime Minister's statement before me, but I hope to give the gist of it correctly. He said that as long as he was head of the government he would have to advise his associates not to extend such aid to general education. May I advise him that times change, opinions change, and even governments and prime ministers change. I was struck by the remark made this afternoon by the hon. member for Beauce (Mr. Poulin) when he said in effect: Ni le premier ministre, ni ce gouvernement n'est éternel.

The Prime Minister has appeared adamant on certain other occasions of which I have some recollection. I remember one occasion some years ago when he said that he saw no reason why he, on the attainment of 70 years, should receive an old age pension without a means test. Well, he will receive one on January 1, and I hope he will have many years in which to enjoy it. *Tempora mutantur et in eis nos.* I remember the time the Prime Minister said that he would never be the head of the government that would legislate for a system of subsidized housing.

The Prime Minister has issued a challenge and a taunt to the millions of people in this country who believe in federal aid to education. I deplore, and I blame him for the fact that he has, by his words, crystallized and hardened among his own political followers such opposition as there is to this cause. I said "opposition", but most of it is expedient rather than real. Apparently a Liberal member from Saskatchewan, for instance, is to have no choice in this matter. He is faced with what is virtually a threat. If I am to stay, says the Prime Minister, then there will be no federal aid to education.

Sir, I believe, and I believe sincerely, that a great many Liberal members from many parts of this country, and certainly from the Canadian west favour, just as 90 per cent of their constituents favour, this matter of federal aid. But their leader, the Prime Minister, holds over them the club which he used at yesterday's session. By so doing he denies to them the right of expression in this house, and what is more important, he denies to the children of Canada that equality of education which is their right. Mr. Speaker, I use this opportunity to express the opinion that not only in this matter but in other matters it is becoming apparent that this government is virtually a one-party dictatorship. One hundred Liberal members could leave this house at this present moment and it would not have any effect whatsoever upon the government of this country.

Mr. Noseworthy: They could all leave and it would not have any effect.

Mr. Knight: The Minister of Defence Production (Mr. Howe) asked once: "If we want to do anything, who is going to stop us?" Government, from the top down, is becoming more and more dictatorial. The cabinet has

assumed more and more a dominant position in the government of this country, and now it seems that the Prime Minister himself has become a more and more dominant influence in that cabinet.

Is the Prime Minister to be allowed to go unchallenged, to muzzle—not only for today, because that is not so bad, but for the future—the free expression of the opinion of private members? That again, sir, and the tendency to autocracy in government which I see indicated, the tendency towards cabinet control, must be condemned and curbed.

In conclusion, sir, I wish to say to the Prime Minister that I shall make a prediction. As surely as time goes on, whether this government is still in power and whether my right hon. friend is still Prime Minister, the day will come when we shall have in this country not only the old age pension legislation and the aid to universities, which we now have, but also a system of subsidized housing, which he deplored, and federal aid to education, upon the opposition to which he stakes his political existence. I say that with certainty, not only for the reason that a tremendous opinion in favour of federal aid to education in this country has been built up among large and important organizations, organizations of farmers, labour, educational authorities, school trustees, and the like, together with the co-operatives who have expressed their favour; but what is more important, more and more the great masses of public opinion in this country are becoming more and more vocal and demanding.

Mr. Solon E. Low (Peace River): I should like to take just a few minutes to say something along the line that has been taken by the hon. member for Saskatoon. I believe this topic is very timely. I think it ought to be brought to the attention of the Prime Minister that there is a growing feeling throughout the country that he is addicted to the habit of saying no for the purpose of seeing what happens, but that habit certainly is not conducive to national unity, particularly when the people of this country have, for a good many years, looked forward to the time when federal aid to education would be a reality, and on a much broader scale than at the present time.

Let me say at the outset, Mr. Speaker, that we are quite aware of the good things the federal government has already done in the educational field. We are quite aware of the fine things that are done and have been done for some time, particularly in the field of technical education. That sort of thing we deeply appreciate, but it only goes a very short way. It is not the sort of thing the people of Canada from one coast to the other have expected eventually would be brought about in this Dominion of Canada. We are aware also, Mr. Speaker, of the good things that the federal government has done by way of assistance to the universities of this country. We appreciate that. But that again is not enough, and it is confined to all too few of our boys and girls, all too few of our people. When one realizes that not more than 8 or 10 per cent of those who graduate from the high schools ever have a chance to graduate from a university, one can realize that the assistance which has been extended to universities can touch the lives of only a very, very few of the Canadian people. So we express keen disappointment that the Prime Minister acted the other day in such a peremptory manner in answering the question put to him with regard to the intention of the government in the future in helping the provinces in the general field of education.

What we would like to see is much more consideration given these things by more people on the other side before answers are given that tend to close the doors. I quite agree with the hon. member for Saskatoon that the Prime Minister was certainly peremptory and showed on that occasion an inclination to be pretty dictatorial. What has been done by the federal government to date in the field of aid to education in no way assists the provinces to equalize educational opportunity; and if there is one thing more than another that I think we, the members of this house, pretty generally stand for it is equality of opportunity in education for all our boys and girls throughout this whole country.

It is well known that certain provinces cannot advance the standard of education to these young people comparable with what other provinces can extend. There are certain provinces that just have not the wherewithal. How in the world are they going to equalize educational opportunities in those provinces that have smaller incomes, that have not the resources to draw upon? There is only one way, and that is for educational assistance to be granted by this federal government.

Mr. Pouliot: Will my hon. friend permit me a question?

Mr. Low: Yes.

Mr. Pouliot: What does he mean by the standard of education?

Mr. Low: I did not say "standard"; I said "opportunities".

Mr. Pouliot: No, you said "standard". *Hansard* must have taken it.

Mr. Low: I shall repeat what I did say. There are certain provinces in our country that have not wealth enough, have not resources sufficient to advance educational opportunities to their boys and girls such as you find in other provinces. That I think goes without saying. One does not need to argue on this floor, certainly, the merits of that contention. I believe everybody who is familiar with education understands that to be true. I do not need to mention names. All one has to do is take the reports from the various departments of education and discover the amount of money that is being provided, the quality of the equipment, the training of the teachers and that sort of thing to come to a full understanding of the problem as I have expressed it. I do not intend to enter into that argument today; it has already been established right here in this house on numerous occasions.

That being the case, Mr. Speaker, what I want to get at is this. How in the world can these less fortunate provinces ever look forward to equality of educational opportunity with the more fortunate provinces if this federal government is not prepared to do something about it, to make available assistance to general education and not just confine itself to the field of technical or university education? It must get down to lower levels than that. We have constantly advocated that the federal government be prepared to make available grants out of the broad, substantial taxation they take out of the people in the provinces, and that these grants shall be unconditional, at least so far as specifying the particular things on which they shall be spent. We would expect, of course, that grants to education from the federal government to the provinces would carry with them some regulation as to how they should be spent, but it should be broad. We have already expressed that on numerous occasions. But to close the door now to any hope of that sort of thing in the future, by a peremptory answer such as that given by the Prime Minister (Mr. St. Laurent) the other day, it seems to me is unjust and will certainly dampen the hopes of a great many people across this country.

I think the Prime Minister will live to rue the day he took that stand. I think the Canadian people are going to remember and, so far as I am concerned, I will help them to keep their memories fresh in the matter. I do not think it was right, I do not think it was just, I do not think it was deserved; and I do not think it reflects, either, the feeling of the majority of people in this House of Commons. So I join with the hon. member for Saskatoon (Mr. Knight) in deploring the closing of the door, as it were, to any further appeal by the Canadian people for federal aid to education. I would not like to enter upon any long argument today as to why there should be that federal aid, because the subject matter is not federal aid to education; the subject of the discussion is the Prime Minister's action in closing the door the other day.

There is only one thing; we may have misunderstood him. I hope we did. I hope the Prime Minister did not mean to close the door so abruptly, so completely, so tightly. I hope he will be able now to tell us that we took the wrong meaning. If we did, then I shall take back all I have said this afternoon. If we did not, then I am just saying now that I will have a lot further to say about it in the house and outside the house until such time as a better answer is given to the Canadian people.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I will not let any member of the C.C.F. party or the leader of the Social Credit group lecture the Prime Minister of Canada (Mr. St. Laurent), who is my leader.

Mr. Noseworthy: Try to stop them, if they want to. It is a free country.

Mr. Pouliot: Yes, it is a free country; but if it is free for the hon. member who has spoken it must be free for me too. My hon. friends show so little respect for their leaders that it must be a surprise when I, as a member of the Liberal party, take the defence of my chief against such ridiculous attacks as those which have come from the hon. member for Saskatoon (Mr. Knight) and the hon. member for Peace River (Mr. Low).

Mr. Low: There were some speeches of yours in 1947—

Mr. Pouliot: It was not the same leader. I was suffering from tyranny at the time.

Mr. Low: There was another one sitting in the Prime Minister's seat.

Mr. Pouliot: I will tell my hon. friend to keep quiet. I did not interrupt him, and I have something to tell him. I have still a few moments to speak, and I want him to listen to me. I regret having to put him to shame.

Mr. Low: That is fine.

Mr. Knowles: Where is the peacemaker?

Mr. Pouliot: I am not a peacemaker with my colleagues. But this time I want to bring those two hon. gentlemen to a sense of proportion. In the first place I will remind the leader of the Social Credit group that at one time he was a member of the provincial government of Alberta.

Mr. Low: Yes.

Mr. Pouliot: He agrees. Why was he a member of that government? It was in virtue of the constitution of this country.

Mr. Low: Right.

Mr. Pouliot: He still agrees with me. But let me go on with my argument. If there had been such a mix-up with regard to education, and with regard to jurisdiction and power, as the hon. members who have just spoken have described, there would have been no provinces and the leader of the Social Credit group would not now have the glory of having been a former supporter of Mr. Aberhart, in his cabinet. There would have been no provinces.

I have a few things to tell those gentlemen, through you, sir. I shall try to make it as brief as possible. In the first place my hon. friends are under the belief that it is easier to say yes than to say no, when requests are made.

Mr. Low: No, we are not.

Mr. Pouliot: It is true that it is easier to say yes than to say no.

Mr. Low: No, it becomes easier to say no, just like Vishinsky does.

Mr. Pouliot: No.

Mr. Low: Oh, yes. He says no to everything, now.

Mr. Pouliot: There are some members of parliament who say yes, yes, yes, every time they are asked for something. When it is no that comes afterward, they are greatly disappointed. It takes courage to refuse a request. And it is not because requests are declined or turned down that one must call the one who refuses them a tyrant, a dictator or the like. My hon friend knows that very well.

There are reasons for that. The main reason is that in virtue of the constitution under which we serve as members of parliament, education is a matter exclusively of provincial jurisdiction.

Mr. Low: We agree with that—"jurisdiction"—surely.

Mr. Pouliot: Inasmuch as the hon. member agrees with it, he must agree also with the Prime Minister who gave a constitutional answer to the provinces who try to tear down the constitution so as to have the provinces of Quebec and Ontario pay for all their expenses.

Now, my hon. friend should be prouder than that. We are always hearing about the revenues from oil in Alberta, that that province is rich and is about to clear its debts. We hear it said that that province has big revenue, when compared with the revenue of Quebec and Ontario. And I am sure that those who make the comparison will not take long to see that Quebec, and even Ontario, have done wonderfully well for their schools, without the assistance of the dominion government.

My hon. friend must remember that at the time of the Rowell commission Mr. Dafoe, who was a self-taught man and one of the big bugs of the university of Manitoba, induced the university to submit a memorandum to Judge Rowell asking that educational grants be given by Ottawa to the provinces. My hon. friend must remember that. Yes, he does. My memory is good enough to discuss these matters now. Dafoe was a journalist who acquired some fame in the newspaper world. He was a self-taught man, and my hon. friend knows that. And he knows something more: he knows that the pillars of universities are, most of the time, men who are well off, well to do, and who have no university background. My hon. friend knows that, too. They are the men who are under the impression that university education will improve the condition of future generations.

This is a matter for argument. It is a matter concerning which there could be considerable dissent. And, judging by the world today, we do not know if it is so good for the youth to follow a university course. I will remind the hon. gentlemen who have spoken of what was said by Dr. Sidney Smith, the president of no less a university than the university of Toronto. He said two or three years ago that there were too many boys, too many students following the courses of universities. The reason is quite obvious. There are many people who derive no benefit from the years they have spent at college or university. I know of people who would be much happier, and perhaps the world would be better off, if they had never learned to read or write.

Mr. Low: Even the Prime Minister laughs at that.

Mr. Coldwell: Did not President Smith point out that there were too many young people who were unable to benefit from university education because they had not the economic resources, that the wrong people were getting it in some instances?

Mr. Pouliot: Perhaps, but my hon. friend knows that no proportion of that kind has ever been established. Occasionally we meet people who are not educated and we are apt to say, "It is unfortunate that he did not have

the benefit of education; he would do marvellous things if he had gone through university". The fact is that quite often those same people would have been failures if they had gone through university.

A proper aim in life is not to fill your memory with facts and figures or with so-called general knowledge contained in encyclopedias which are put out, often for young people. The proper aim in life is education in the proper sense.

Mr. Low: Living.

Mr. Pouliot: The formation of the mind and character, the will to do perhaps unpleasant jobs at the start in order to know what is right and then to ascend to the summit by degrees. Many young people go to college or university in order to become superior people. When they are finished with the social sciences, economics or the like they are ready for old age pensions in their twenties. They are fed up with school, they are fed up with everything, and yet they feel they are ready to rule the world.

What is lacking? It is the formation of character, the readiness to start humbly as their fathers started and not to expect to be in the position their fathers are when they leave school. I know boys whose fathers earn $4,000, $5,000, $6,000 or perhaps more, and when they come out of college they expect to earn the same amount. They have been through college or university and their heads have become swelled. They are filled with ambition. Ambition to serve their country? No, sir; ambition to get more money.

Mr. Low: Where would the hon. member for Temiscouata be if he had not gone to university?

Mr. Pouliot: I will surprise my hon. friend by telling him that I began to learn things as soon as I got out of it. Thirty odd years ago I refused an honorary degree of doctor of laws because I did not think I should have it. I was not even a bachelor of laws. I had passed my examination to enter the bar of my province, but the only university degree I have is bachelor of laws.

Mr. Noseworthy: The hon. member will not get any after this speech.

Mr. Pouliot: We have great seats of learning in this country and in many respects they do a useful job, but many students come out of our universities nothing less than failures in life. On the other hand, there are boys who took commercial courses who are now paying the taxes to support these schools. The leader of the Social Credit group has many farmers in his constituency and I think he will admit that very few of them have university degrees. Without knowing them I feel safe in saying that they are similar to the farmers in my constituency. They will be self-taught men who observe what is going on, who love nature, who live a healthy outdoors life.

Mr. Low: They have a good public and high school education.

Mr. Pouliot: But not a university education.

Mr. Low: That is not what I was talking about; I was talking about public and high school education, general education.

Mr. Coldwell: I think general education was the subject.

Mr. Pouliot: That is even worse. I do not think my hon. friend should complain about the decision reached by the government.

Mr. Low: By the government?

Mr. Pouliot: That is according to the press and I know nothing more about it. Grants are to be made to the universities through the provincial governments. If those grants are necessary, which is a matter of opinion, they will be made to the provinces which have exclusive jurisdiction over education. The Prime Minister's competence as a lawyer is recognized and he respects the constitution. He is doing the best he can to help education under the constitution.

Mr. Low: That is what I want.

Mr. Pouliot: Let me say to my hon. friend that if he held the responsible position of Prime Minister of Canada and the provinces asked for grants to the universities, he would make no different answer than that made by the Prime Minister; and if the Prime Minister had been in the position of the hon. gentleman he would not have criticized him.

Mr. Low: The hon. member is quite wrong there.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Temiscouata (Mr. Pouliot) on education, and particularly on the subject of federal aid for education. I think I am only fair in saying that the arguments he used were not arguments against federal aid for education. He questioned the value of education itself. It was not just a question of which government supports education. It became quite evident from the hon. member's remarks that he is questioning the value of education to society and to individuals. It is rather amazing to find one who has benefited from education, who has acquired all the culture that education and educational institutions offer, who portrays in his daily life all the virtues of an educated man—

Mr. Knowles: Stand up and bow.

Mr. Noseworthy: —frowning upon the value of education to his fellow citizens. He tells us, for instance, that a great many people would be happier if they had never learned to read or write. I do not know that happiness in itself is a measure of the value of education to society. Happiness must be relative. I would not be at all surprised if the imbecile, who has no power of observation and no sense of responsibility, may be happier than some of us. I do not think happiness is the measuring rod by which we should judge the value of education. I do not think the hon. member for Temiscouata would want to carry his argument so far as to say that society and the world itself would be better off if no one had ever learned to read or write. I am quite confident that the hon. member realizes the benefits which we in this generation receive by virtue of the fact that our ancestors were able to read and write and were able to leave us their thoughts on the written page. The hon. member would not be nearly so charming as an individual if he had not imbibed the culture of the past.

Mr. Low: Temiscouata would not have had such a colourful member.

Mr. Noseworthy: I am not going to enter into an argument with him about what is and what is not education. Certainly every educationist today will agree with him that education is something more than merely storing the memory with facts. That is not what we mean by education. To say that the federal government should not assist the provinces and the municipalities in supporting education is, I think, in this day and generation on a par with the belief held one hundred years ago that it was the responsibility of the parent to finance his children's education. We have moved forward since then. We no longer think it is the sole responsibility of the parent even if the hon. member for Temiscouata believes that the youth of today should begin where his parents began. Actually of course he does. Actually the child of today begins where his parents began. Children are born with no more knowledge than their mothers or fathers had at time of birth. They are still born unable to speak and walk. The babies of today start where their fathers and mothers began, so I have no quarrel with the hon. member on that point. But we have moved forward during the past century. We no longer think that the parent should assume the sole financial responsibility for the education of his offspring. We no longer think even that the municipality should assume full financial responsibility. We have reached the point where every province in this country shares with its municipalities part of that responsibility. We have gone further. We have reached the stage where the federal government shares to a considerable degree the responsibility for providing education in one form and another with the provinces and the municipalities.

During a previous speech I put before the house the amount of money the various departments of the federal government spend directly and indirectly on education. Whether or not the hon. member for Temiscouata likes it, the federal government is in the business of education, is paying large sums of money each year for education, and we are now about to embark upon a new venture, direct grants to the universities. I am sure we appreciate that. I was very disappointed and not a little surprised to hear the Prime Minister (Mr. St. Laurent) categorically deny any intention of giving federal support to education. I hope that the Prime Minister—

Mr. McIlraith: The Prime Minister was replying to a specific question asked by a member.

Mr. Noseworthy:—was referring solely to the particular question directed to him at that time. I think probably we have reason to believe the Prime Minister meant that in so far as that specific request was concerned it was not being considered, and he was advising his colleagues not to give consideration to it. I cannot believe that the Prime Minister, as cultured and as appreciative of culture and the values of education as he is, meant anything else. Notwithstanding all that the hon. member for Temiscouata said about education, I am sure both he and the Prime Minister appreciate and set a very high value on the merits of education.

I recall that in the first session of 1949 the Prime Minister (Mr. St. Laurent) gave us reason to believe that his government was interested in federal aid for education. I can see no reason why he should have changed his opinion with regard to the general subject of federal aid to education since that day. If he has changed his opinion, or if his statement yesterday applied to federal support for education in general and not to the specific question that was raised, then I think we are entitled to an explanation. We are entitled to know just why he has changed his attitude to this subject. Is it because he fears that the federal government will be assuming too much financial responsibility if it embarks further on the matter of federal aid to education? Or is he concerned chiefly

with the constitutional question, or with the fact that the provinces, by our constitution, are responsible for education?

I cannot think that the latter is a sound reason for any great change in the Prime Minister's opinion. There is no reason in the world to think that, by granting aid to the secondary schools or the public schools of any province in this country, the federal government should seek to interfere with the curriculum or the methods of teaching, any more than the federal government will interfere with the curriculum and the methods of teaching in the universities to which the federal government is making a direct contribution. There is no reason why what is true in one case should not also be true in the other.

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

Mr. Noseworthy: Yes.

Mr. Pouliot: Besides being a delightful man, I should like to know if his profession is that of teacher.

Mr. Noseworthy: I was for more than twenty years, Mr. Speaker.

Mr. Pouliot: Thank you.

On motion of Mr. Noseworthy the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will continue consideration of the railway legislation: Bill No. 12, to amend the Railway Act; Bill No. 6, to amend the Canadian National-Canadian Pacific Act, 1933; Bill No. 7, to amend the Maritime Freight Rates Act; then Bill No. 8, to amend the North Fraser Harbour Commissioners Act; the resolution in the name of the Minister of Justice concerning the increase in the number of county court judges in British Columbia; Bill No. 28, to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

At 6.15 p.m. the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Thursday, November 29, 1951

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT

Mr. J. A. Bradette (Cochrane) presented the first report of the standing committee on external affairs, and moved that the report be concurred in.

Motion agreed to.

DEFENCE EXPENDITURES—CONCURRENCE IN FIRST REPORT

Mr. David A. Croll (Spadina) presented the first report of the special committee on defence expenditures, and moved that the report be concurred in.

Motion agreed to.

DOMINION ELECTIONS ACT—THIRD REPORT

Third report of special committee on the Dominion Elections Act, 1938, and amendments thereto.—Mr. Fulford.

PUBLIC ACCOUNTS—INDUSTRIAL RELATIONS—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Low be substituted for that of Mr. Johnston on the select standing committee on public accounts.

That the name of Mr. Wylie be substituted for that of Mr. Johnston on the select standing committee on industrial relations.

Motion agreed to.

DOMINION ELECTIONS ACT

AMENDMENT RESPECTING ADVANCE POLLS AND PRISONERS OF WAR VOTING REGULATIONS

Hon. F. G. Bradley (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Dominion Elections Act to implement the recommendations of the special committee appointed to study the Dominion Elections Act, 1938, embodied in the draft bill prepared by the said committee and *inter alia* to make provision for: (a) a greater number of advance polls: and (b) the Canadian prisoners of war voting regulations, 1951.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

Hon. F. G. Bradley (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

SUPREME COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Supreme Court Act to provide an increase in the maximum salary of the registrar from eight thousand to eight thousand five hundred dollars.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

EXCHEQUER COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Exchequer Court Act to provide an increase in the maximum salary of the registrar from six thousand five hundred to seven thousand five hundred dollars.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

Inquiries of the Ministry

METEOROLOGICAL SERVICES

REQUEST FOR INSTALLATION OF WEATHER STATION AT LONDON, ONT.

On the orders of the day:

Mr. A. H. Jeffery (London): Has the minister given consideration to the establishment of a weather station at or near the city of London and, if not, will he do so?

Hon. Lionel Chevrier (Minister of Transport): I thank the hon. member for having sent me notice of his question. The Department of Transport already has a fully-equipped weather observation station at the London airport which takes weather observations each hour. The department has no plans for the establishment of any additional weather observation facilities at London.

OLD AGE SECURITY

PROOF OF AGE—AVAILABILITY OF FORMS FOR SEARCH OF CENSUS RECORDS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Will the Minister of National Health and Welfare make available through the post offices a supply of the forms necessary to institute a search of census records by applicants for old age pensions?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend will appreciate that the matter of census is not within the jurisdiction of the Minister of National Health and Welfare and consequently the question will be referred to the Department of Trade and Commerce and the Post Office Department. Possibly my hon. friend is under a slight misconception. The census is only one of the many ways of proving age. It is by no means an absolute method of proof, as we are finding out. However, the problem is not as considerable as the hon. member may possibly think because the number of applicants still to make application is remarkably low and the processing of applications is being done with remarkable speed.

EMERGENCY GOLD MINING ASSISTANCE ACT

INQUIRY AS TO ISSUANCE OF NEW REGULATIONS

On the orders of the day:

Mr. Rodney Adamson (York West): I should like to direct a question to the Minister of Mines and Technical Surveys. I have not been able to give notice and therefore he may take it as notice. Are new regulations under the Emergency Gold Mining Assistance Act under consideration and will they likely be introduced this session?

[Mr. Garson.]

Hon. George Prudham (Minister of Mines and Technical Surveys): No new plans have yet been discussed but it is expected that by the end of the year there will be an announcement of government policy.

ROYAL CANADIAN NAVY

"JOSEPH C. CYR"—DEPORTATION TO THE UNITED STATES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): When will the parliamentary assistant to the Minister of National Defence make a statement concerning Surgeon Lieutenant Joseph C. Cyr which he promised to make two days ago.

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): I feel quite certain that a statement will be made tomorrow.

AIR TRANSPORT

PURCHASE OF AIRCRAFT FROM ENGLAND

On the orders of the day:

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Yesterday the hon. member for Rosetown-Biggar asked the following question:

> Is the report correct that the government has ordered two jet-powered Comet airliners from the de Havilland company of England? If so, why was this aircraft preferred over the Avro jetliner developed by A. V. Roe Canada Limited with substantial government assistance? Have any orders been received for this Avro jetliner?

The answer to the first part of the question is "yes". In reply to the second part may I say that the Comet is the only jet transport in production and service at this time anywhere in the world. The purchase of these airliners will bring to Canada the latest developments in jet transport aircraft, as the Comet has been under development and test in service for the past five years. The answer to the third part of the question is "no."

Mr. M. J. Coldwell (Rosetown-Biggar): In view of the large expenditures that have been made by the Canadian company when is it expected that craft will be coming from that company?

Mr. McIlraith: There seems to be a little misunderstanding. The Canadian jetliner is a prototype and could not be put into service until it has been further developed. The two types of jetliners are not comparable. The one is a transport jetliner with a long range while the other is a short-range aircraft.

KOREA

INQUIRY AS TO TREATMENT OF RETURNING VETERANS ON TROOPSHIP "J. P. MARTINEZ"

On the orders of the day:

Mr. R. O. Campney (Parliamentary Assistant to the Minister of National Defence): On Tuesday the hon. member for Peterborough West (Mr. Fraser) asked the following question:

Has the Department of National Defence investigated the charge appearing in the press of yesterday that Canadian veterans of the Korean war returning to Canada on the troopship *J. P. Martinez* were allowed only two meals a day—very small ones at that—and were also made to paint the ship?

I took that question as notice and upon making inquiry I find that a party of Canadian soldiers were returned from Korea on the United States army troopship *J. P. Martinez* along with a larger number of United States troops. There were approximately 1,700 troops on board which rather taxed the messing capacity. Upon a few occasions the midday meal was not served and upon other occasions it was only a light lunch. The ship was travelling under service conditions and at all times there was adequate food of first-class quality and everybody was well fed. None of the troops was made to paint the ship, but investigation indicates that a few of the men who wanted something to do volunteered to do some painting.

RAILWAY ACT

IMPLEMENTING CERTAIN RECOMMENDATIONS OF ROYAL COMMISSION ON TRANSPORTATION —MAINTENANCE OF TRACKAGE

The house resumed, from Tuesday, November 27, consideration in committee of Bill No. 12, to amend the Railway Act—Mr. Chevrier—Mr. Dion in the chair.

On section 1—*Reappointment.*

Mr. Chevrier: I should like to answer the questions asked the other evening by the hon. member for Royal concerning the appointment of the various members of the board of transport commissioners. The chief commissioner, Hon. Mr. Justice Kearney, was appointed on November 1, 1951. The assistant chief commissioner, Mr. Hugh Wardrope, was appointed on November 8, 1948. That was a reappointment. The deputy chief commissioner, Mr. Armand Sylvestre, was appointed on April 18, 1945. Mr. Commissioner MacPherson was reappointed on the 21st of September, 1949, and Mr. Howard B. Chase was appointed on July 28, 1948.

Mr. Macdonnell (Greenwood): I want to say a word on clause 1. When the special committee on railway legislation met the other day, counsel for the two railways appeared before it but counsel for the Canadian National when called upon spoke in part as follows:

According to my instructions I am to say that in principle the Canadian National Railways have no objection to these bills, and have no representations to make with respect to them at this point.

I think it is correct to say that that attitude was persisted in throughout. The point I want to raise is that in the Canadian National we have a great public corporation. We are told, and I think we accept the statement, that it is allowed to run its own operations, and that it is an independent corporation in a very real sense of the term. We know that government ownership has certain implications but nevertheless the other situation is very real. Questions are asked in the house, the minister very properly says those are questions for the railway, and we accept that. It seems to me a very strange thing that in a matter of this kind, which surely is one of the most important things facing the management of that railway, when the railway comes before the special committee which is dealing with a question of great difficulty and complexity concerning which the committee certainly needs all the assistance it can get, then, as they call it in the army, we have a nil return from counsel for the railway.

I should like to point out that after all this railway is presided over by a man greatly esteemed in this country for his ability. He has held public positions before, and certainly no matter what other comments were made of him at that time it was never a point of criticism that he did not have his own views and could not express them. Now, however, the railway says nothing. I point out that what that really means is that the senior officials and management of over 100,000 men who are employees of this railway—I think that is the correct number—had nothing to say at all on this tremendously important question when it was before the special committee. That does not seem to me in accordance with my understanding of what should be the situation on the Canadian National Railways. I understand it is a practice that has been followed in the past and maybe it has been sanctioned to whatever extent sanction comes through practice. However, I raise the matter now very earnestly. I should like to quote one or two comments from a previous debate to show the views of two distinguished parliamentarians of that time. I refer to 1927 when I believe the Canadian National Railways Act was passed. Mr. Dunning was then minister

of railways, and I should like to quote a short sentence from his remarks merely to show the relationship between him as minister and the then president of the railways, Sir Henry Thornton. I quote it merely to show the relationship of independence together with mutual co-operation. At page 193 of *Hansard* for February 10, 1927, he said, speaking of Sir Henry Thornton:

> As minister and president of the system, respectively, we often have very wide differences of opinion on matters which it is Sir Henry's business to place before me at times.

I only read that to show that at that time the president of the railway had a very independent position which was recognized by the minister in the frank manner of the passage I have just read. I should like to read from the same page a statement made by Mr. R. B. Bennett, as he was then, speaking about the directorate of the railway. He said:

> They should be businessmen of capacity, able and willing to assist the president of the system in the conduct of its operations.

I do not need to labour the point further. I think I have made the point I want to make. It seems to me that we can only draw one inference. What is the situation? We have a man well known to be a man of ability and energy at the head of this great enterprise. We have this enterprise concerned in a discussion regarding freight rates than which there can be nothing more important for them. Their whole life blood depends on it. Nevertheless the representative of the railway stands up and says: "According to my instructions I am to say that in principle the Canadian National Railways have no objection". The inference there is—and if I am wrong I shall of course be corrected—that, however free the railway may be in other matters to carry on their business, and I think they are largely free, in this matter of great importance they really are in the position expressed by the words of their counsel. He of course is speaking for the management of the railway but I suggest that the words he used are really words which we must assume the president himself would have had to use if he had been present. In other words, I think we must assume that the railway was not free in this matter. I submit that is a great disadvantage. It means, apart from anything else, that these tens of thousands of men who work for the railway are deprived of the expression of their views through their senior officials, and it means that the committee, when dealing with a matter of infinite complexity and importance, was deprived of the assistance of these able men.

Mr. Chevrier: I should like to be allowed to reply to the suggestion of the hon. member for Greenwood. The inference he draws from the statement made by counsel for the Canadian National Railways before the committee is that there may have been some dictation on the part of the minister or the government with reference to the conduct of the Canadian National Railways. I want to assure him at once that there was no interference or dictation either by the minister or by the government in so far as the attitude of the Canadian National Railways is concerned, and for more than one reason there need be no surprise at the attitude of that railway. The first is that under the practice which has arisen before the board of transport commissioners it is the Canadian Pacific that is the yardstick for the fixing of rates, and therefore it was only natural that they who bear the brunt of presenting evidence before the board of transport commissioners should also be responsible in large part for submitting evidence to the committee. I think that is clearly established by the practice before the board of transport commissioners itself.

Let me assure my hon. friend on another point. After the report of the royal commission had been handed down and the president of the Canadian National Railways had had an opportunity to give it some study, he came to see me and discussed it with me. He told me frankly then that he was in full agreement with the substance and the principles of the legislation as it was then envisaged. Therefore there should be no surprise when counsel for the Canadian National Railways declares that in principle he is in favour of this legislation.

Mr. Macdonnell (Greenwood): I want to make only one comment, if I may. I am aware of what the minister said about the Canadian Pacific Railway being the yardstick, but that does not seem to answer the point. Even if the Canadian Pacific Railway is the yardstick, it is very unfortunate that no assistance whatever came from the Canadian National, but I am not going to pursue the matter further.

Mr. Gillis: Since I was a member of the committee I feel it is my duty to say a few words on this first section. I might say that on the question of freight rates I went into the committee in much the same state of mind as the average member of that committee, namely, pretty well confused and mixed up on the whole question. I wish to say that I had my mind clarified on many things that had been rather mysterious to me previously, particularly the language used when discussing the whole problem of freight rates. I wish to say also that it was one of the best committees I have sat on since I came to this house. It was an education to me at least. I say it was a good

committee for three reasons. I think the people who serve on other committees should insist on the same kind of administration as far as their committees are concerned. In the first place, there was the patience of the chairman. I have never seen a chairman with more patience.

Mr. Chevrier: I wish that applied to the minister.

Mr. Gillis: I will say something in a minute about him. In the second place, there was the calibre of the witnesses who came before the committee. Every witness on behalf of the provinces and the Canadian Pacific Railway knew exactly what he wanted. They were clear and explicit about it. If you had any doubt in your mind that you were trying to resolve they certainly cleared it up for you. All the witnesses who appeared before the committee were very able people. They gave us a valuable education in the mysteries of rate-making as it exists across the country, and the importance of the board of transport commissioners. The patience of the chairman, the ability of the witnesses and the flexibility of the minister were outstanding.

Mr. Knowles: You asked for it.

Mr. Gillis: Any time a matter came up that was not strictly in accordance with the bill, if there was any suggestion that there was something wrong with it or that it created a hardship, the minister was very flexible. He took it under consideration. The fact that the bill was amended in about six different places shows that he was not stuck on a sentence. The committee was fortunate in the calibre of the people it had to handle the problem and present it to us.

The members of the committee were conscientious. I would like to pay tribute to the hon. member for Vancouver-Quadra. While we may not agree with him in everything, nobody can doubt his sincerity, honesty and tenacity of purpose. He took a beating in the committee, and he is taking a beating in the house. But my sympathies are with him. I think that any person who is trying to do something honestly deserves the commendation of his fellow men.

Now, in regard to what was accomplished. It is not hard to rise in the house and criticize, and I am very good at that myself. This whole question of freight rates was handled by a royal commission. That royal commission dealt with the whole question for around eighteen months. A witness for the Canadian Pacific Railway said that he made 105 appearances before the commission. After hearing all the evidence and giving everybody across the country an opportunity to present their case, the royal commission sifted the mass of evidence, and this bill was the result. This bill is intended to implement the recommendations made by the different provinces and the railways and put it on the statute books. I myself think that a good job was done on it in many respects.

As far as the maritimes are concerned, they did not get under this bill, but they did get a guarantee that they were not going to lose anything. The historic position of the maritimes was guaranteed. While some of us had some doubts whether it was sufficiently guaranteed in the bill, the minister, again in his own flexible way, said: We will write something in that gives you a second guarantee. So far as the historic position is concerned, we are guaranteed we are not going to lose anything. The rebate of 20 per cent is guaranteed to the maritime provinces.

I want to say on behalf of the end of the country that I come from: Thanks to the other provinces. From British Columbia to Newfoundland they all agreed that that particular right guaranteed to the maritimes should be maintained. It was a very generous gesture on their part, in view of the very many complex problems they have in their own provinces in this matter of freight rates.

Another reason why the maritimes were treated fairly was the fact that the presentation on behalf of the maritimes was a united one. The whole four provinces were represented in the maritime commission, with capable people at the head of it. Their job is continuously to sift rates, groupings and what have you, and to represent the maritimes before the board of transport commissioners. In my opinion they did a good job, and it is a demonstration of united action. We are grateful that while we did not get anything, we did not lose anything. The bill does not prevent us from getting redress from any inequities that we think still exist.

So far as the maritimes are concerned, I want to say that as a member of the committee I was quite satisfied, and the maritime representatives had their own commission acquiesce in the amendments in the bill, and they felt they had sufficient guarantees.

On the question of equalization, I am convinced that equalization of freight rates in this country is a dream. What the bill intends to do, rather than equalize in the strict sense of the word, is to remove discriminations where they exist, and to bring about equality in so far as it is practicable in this country. The bill has laid a good base for that. There are sections of the country

that still have a complaint, but I do not think there is anything in the bill that prevents a redress of any wrong that may exist now if it has not been taken care of completely in the bill.

There was one place where I was disappointed. A few moments ago the hon. member for Greenwood said he did not think the Canadian National Railways took the proper position. I think they did, in that the Canadian Pacific Railway has always been recognized as the rate-making section for the railways in Canada, as the minister stated, and whatever yardstick is laid down for them in so far as rates are concerned is applicable to the whole system. The Canadian Pacific Railway representative is a very able person. He was very vocal in the committee. There was never any doubt in anybody's mind as to what he thought on any particular section of the bill.

In this respect I think the railways took a position that any sensible organization would take, recognizing that the fellow with the big stick is in there, and if he can get a good job done it is applicable to me.

Therefore, why should I send a lot of representatives in there? The point I was disappointed in is this. The legislation does not recognize at all the representation of the Canadian National Railways to the commission on the proposition of a revision of the capital structure of that railway.

I am concerned about the employees of that road, just as the hon. member for Greenwood has indicated he is. I believe the largest single factor preventing the employees of the Canadian National from getting proper redress in the matter of wages and conditions is the capital structure of the railway itself. As the hon. member knows, that railway is carrying an interest debt of around $45 million a year on fixed capital which produces nothing. Many years ago this capital should have been put into bankruptcy. The president of the Canadian National recommended that that capital should be either written off or written into the balance sheets as equity capital and not interest bearing. There is $45 million a year which goes to maintain the national railway which should not be there. We should have done something at this session about this interest debt which is carried year by year.

I did not intend to make a lengthy speech. I happened to be a member of the committee representing a part of the country that I think got a fair deal, and I was there to protect the interests of that part of the country. I thought I should say these few words to express my appreciation.

Mr. Low: I was a member of the committee until the last few days of the sittings. At that time I had to be away, and my place was taken by another member. As a member of the committee, I believe I should say a few words in connection with this bill, and especially since I come from a province that for many years has been attempting to get just such an arrangement as has been presented in the bill. We want it understood, Mr. Chairman, that on the whole we think the members of the committee have been very fair. Like the hon. member who has just spoken, we appreciate the attitude of the chairman of the committee, and the minister. We feel they both did a very fine job in that they did not allow themselves or the committee to be swerved from the terms of reference. All the members of the committee settled down to their task with commendable studiousness and energy. While we disagreed in some measure with some of the members of the committee, we appreciated the view that they took.

I should like to say a word about the hon. member for Vancouver-Quadra. No one appreciates his good qualities more than I do. I believe he is a very courageous man, and he has shown that on numerous occasions in this house and on other committees. We differ in our opinions, certainly, but I can quite understand why he took the position he did, especially on section 332B which I think was the subject of most of his attention during part of the sittings. I quite understand that if the west coast really were in danger of losing the transcontinental rates, the hon. member for Vancouver-Quadra was quite justified in putting up a fight. I would not like to see that happen. In fact I would feel towards the possible loss of the transcontinental rates for the west coast as I felt when British Columbia made an application for the removal of the mountain differential. At that time we in Alberta recognized that the removal of the mountain differential might throw some additional burden upon the freight payers in the province of Alberta. We felt, however, that British Columbia was completely justified in requesting the removal, so we did not fight against it. However that may be, I just wanted it known that we appreciate the position of the British Columbia members too. I believe it was the hon. member for Vancouver South who spoke the other day, and took a sound position so far

as his point of view was concerned. He took a well-balanced and very fair position, and I want to pay that tribute to him.

We in the province of Alberta did not get everything for which we asked, but under the circumstances I believe we are justified in saying that we are fortunate in what we did get. I want that known, because we feel quite thankful for what we believe the bill provides. Personally, I cannot feel very critical about it at all. I should like to see the bill given every chance to show what it can do for all the provinces. Certainly I believe the minister, if the experience over the next three or four years proved there are deficiencies in the bill, would be the first to recommend that changes be made in order to ensure fairness for all parts of this country. Certainly the equalization principle established in the bill is something for which we can all be thankful.

The provinces of Ontario and Quebec have not shown too much concern about the matter, which I interpret to mean they are prepared to take their chances with the rest of Canada. If they had fought section 331 in committee, perhaps I might not have the same opinion. They did not, however, and one has to interpret these things pretty much on the attitude of the members in committee. I would say that they took a fair stand in committee, and they are not fighting it in the house today. They are not fighting the equalization principle nor are they fighting section 332B, which sets out the one and one-third formula. This seems to be evidence that they are prepared to go along without making an issue of something that will probably be of benefit to the whole of Canada; that is the only way I can interpret it. I am quite prepared, Mr. Chairman, to attribute that attitude to them on the basis of what I have seen and heard.

As the days go by I believe the hon. member for Vancouver-Quadra and perhaps some others from British Columbia will find their fears were not justified. A careful study of the evidence and statements presented in the committee, especially by Mr. Knowles who was the adviser to the committee, will indicate that the transcontinental rates are not maintained so much on the basis of water competition today as they are on the basis of United States railway competition. That being the case, I doubt very much whether the railways will, in your time or mine, consider taking off those transcontinental rates. I cannot bring myself to believe there is any danger of that at all. If there is, then of course Alberta stands to lose some of the benefits that are contained in section 332B, because if the basis of the one and one-third formula is raised then of course it will result in higher rates. My own feeling is that the evidence clearly shows there is little if any danger the railways will abolish those rates.

I do not want to make a lengthy speech. I merely want to express our appreciation of the very fair way the committee was conducted. To the railways I should like to say this. We thought, at times, the Canadian Pacific Railway spokesman was vigorous, but that is what he was there for. He submitted himself to cross-questioning quite amiably and tried to give, to the best of his ability, answers to the questions that were asked of him. On behalf of the people of the province of Alberta, Mr. Chairman, I want to say how much we appreciate the effort that is now being made to remove what we have thought have been historic injustices and to bring relief from the terribly heavy burden of freight costs under which those people have suffered for so many years.

Mr. Brooks: I have little to say, Mr. Chairman. As a matter of fact, I did not intend to say anything but I feel that I should, in a way, rather second the remarks which have been made by the hon. member for Cape Breton South. Like him, I appreciate greatly the situation as far as the maritimes are concerned. I also realize how little we know about freight rates. The hon. member said that he had learned a great deal. I feel that I learned much as well. I also feel that even yet I know little about freight rates across Canada, and I doubt whether anyone can say that he knows the whole story.

Mr. Low: To do that would take us many years.

Mr. Brooks: I think so, when it is remembered that freight rates are based on so many factors such as geography, competition with trucks, and competition with canals; we also speak about ocean competition; and there are statutes such as the Maritimes Freight Rates Act, the Crowsnest Pass agreement, the mountain differential, and United States freight rates. All of these things which have to be taken into consideration impressed us with the great difficulty of fixing freight rates on our transportation system in Canada.

We in the maritimes were greatly concerned as to what would happen to us when this bill was passed. I was not in the house when the resolution was before it, but my good friends the hon. member for Cumberland and the hon. member for Annapolis-Kings expressed doubts at that time as to whether our interests were safeguarded. I think their fears were justified because when the representatives from the maritimes,

representing the maritime transport commission, appeared before the committee they emphasized the dangers there were in passing the bill as it was presented to the committee. I was pleased indeed that, while the minister did not entirely agree with them, he was nevertheless far enough convinced to allow an amendment to go through. I feel that that amendment has cleared the air. As I say, it has justified the fears which were expressed in this chamber by the hon. member for Cumberland and the hon. member for Annapolis-Kings. As my good friend the hon. member for Cape Breton South has said, we appreciate the support which was received from all parts of Canada. I might also say that we in the maritimes greatly appreciate the efforts of Mr. Rand Matheson and Mr. Frank Smith, the men who appeared before the committee for the maritime board of trade and commission. They presented our case in a splendid manner, so that when representatives of other parts of Canada came to express their views on the requests that we were making, it was found that they felt that our views were entirely justified, and that the stand that the maritime provinces were taking was entirely justified. Along with the hon. member who spoke a few moments ago, I wish to thank the other sections of Canada who realized so well the position of the maritime provinces. I think it is a great indication of the solidarity of this country in certain matters and also of a true Canadian spirit from one end of Canada to the other.

The other night the hon. member for Bow River—and I may say that I think perhaps he was not altogether serious—accused our party of taking sides in the committee between different provinces. That is absolutely incorrect, as I am sure was proven to him. I for one had an open mind. As I stated then, while I was in sympathy with my good friend the hon. member for Vancouver-Quadra personally, nevertheless I was not entirely in sympathy with his arguments. My sympathies were more or less with the province of Alberta. The hon. member for Bow River thought that possibly I should have taken more part in the debate in defence of Alberta's attitude. But with the hon. member for Peace River and the hon. member for Bow River being on that committee, upholding the rights of the province of Alberta, I felt—as I am sure did every other member of the committee—that there was no necessity for anybody else to put in his oar.

Mr. Low: We liked your attitude.

Mr. Brooks: I am sure you did. I have nothing further to say at this time, Mr. Chairman. I hope that this bill will be a success. I hope that it will be fair to the railways and to every section of Canada.

Mr. Murray (Cariboo): The bill has been carefully worked out and is worthy of all the praise which has been given it. At the same time, coming as I do from a certain part of Canada where railway service is not adequately given to the people, I am sure that my community would be unhappy if I did not say at this time that, now that this great national plan has been worked out, we hope that the Canadian National Railways and the Canadian Pacific Railway, which jointly own the Northern Alberta railways up in my part of the country, will at an early date be instructed to proceed with the extension of certain rail construction in that area.

When the royal commission on transportation met I was authorized by the boards of trade and chambers of commerce of the district, along with Senator Gray Turgeon, to appear before it and to present the claims for the Peace River block of British Columbia and that part of the hinterland of Vancouver north of Prince George, for adequate railway service. In the report of the royal commission, at page 20, it is noted that we duly appeared before the commission and that a brief of many pages was submitted.

The Chairman: Order. I am sorry to interrupt the hon. member but its seems to me that he is not quite in order in discussing that matter at the present time.

Mr. Murray (Cariboo): Mr. Chairman, I sought to approach the question of freight rates in that particular province in which, I think any expert will agree, they are higher than they are elsewhere in Canada, simply because 10,000 people in that area are removed from rail service. The hon. member for Peace River was quite right in the position that he took. But as my neighbour out there, he knows that there are at least 30,000 people out there whose natural outlet is the port of Vancouver but who are not enabled to ship their material to the port of Vancouver and who must ship it 500 miles to Edmonton, and around back from Calgary or elsewhere, in order to reach the port of Vancouver. If I am out of order in referring to that matter, I hope that at an early date I may be given the opportunity of referring to what is a national problem in our country, and particularly in the city of Vancouver which is today deprived of direct access to its natural farm hinterland.

Freight rates on grain have been fixed from Dawson Creek to the head of the lakes and to the port of Vancouver, and certain concessions have been made. Nevertheless the merchants and manufacturers of British

Columbia are interested in a cheaper schedule of rates from the great industrial centres to that particular area. That is something which probably breaks the harmony of the occasion. But, as I say, a very extensive brief was placed before the royal commission. Pages 130 and 131 of that document are devoted to the proposed railway expansion, and matters incidental thereto, and to the economic position of the Peace river and Pacific regions.

I shall not read from the report at this time. It is a matter of record, and the material may at a later time be brought before the proper authorities. In urging these remedies for that area, I think it is only good business for all concerned, because in extending the rail services there it must be kept in mind that a very large tonnage already exists. It is urgent that the matter should be considered at this time, because that country is going to come into its own as a highly productive country. With coal, oil, lumber, agricultural products and the like, the matter of freight costs is of paramount importance and a public issue of first magnitude.

Mr. Blackmore: Mr. Chairman, as I have watched developments since the setting up of the royal commission in 1948, I have found much cause for happiness. It seemed to me like the realization of a dream.

In 1937, the second year in which I was in the House of Commons, I made a number of remarks bearing upon the inequities suffered at that time by the prairie provinces. Among others, I referred to the railway freight rates situation, and used the following words recorded on pages 52 and 53 of *Hansard* of that year:

> Now there is another injustice of which I believe a good many people are not aware. I am going to speak for a minute or two directly for my own province, not mentioning the others. There is in the Dominion of Canada a freight rate structure that makes Alberta pay both going and coming. She is being discriminated against as is no other province in this dominion.

And at a later point in the same speech:

> I wager that if the people of some of these eastern provinces were suffering as much as Alberta is they would not be as calm as Alberta has been. The thing we want to do is to find what is the cause of all this, and to remove that cause as far as is humanly possible. Surely there is something that can be done. I read this from an editorial in a western paper, and not a Social Credit paper:
>
> "This province (Alberta) as a matter of fact is at the apex of the general freight rate structure of Canada."
>
> I have not time to go into details, but they bear tremendously on the relief problem in those provinces. Someone is suffering for all that. And it does not matter how desirous they are of working or how careful they are in their living or how economical they are or how anxious to keep off relief, they are in the grip of circumstances which are an absolute disgrace to this dominion.
>
> There are some other things which I wish to consider. I will not now spend any more time on the discrimination; I may at another time say something further on that for the enlightenment of the house. I fancy the reason these things are tolerated is only that we do not know about them. I did not know about these things until I looked them up, and I cannot blame people who have never had them brought to their attention. It is our business to bring them to the attention of hon. members, and we do so in a spirit of good fellowship and straightforward honesty, asking that redress be given to us so that we may live. That is all. You see why I said a moment ago that the matter is exceedingly serious.

From that time forward, until the appointment of the commission, I missed no suitable opportunity to bring to the attention of other members of the house and of other provinces of the dominion the outrageously unjust position in which Alberta was placed by the freight rate situation.

I rejoice in the finding of the commission; I rejoice in the bill that has been brought down; I rejoice in hearing about the way the minister deported himself all through the sittings of the committee, and about the way the different committee members deported themselves.

I should like to make a few observations on the whole situation. One of the bright lights, in my judgment, is the provision of the $7 million subsidy to take care of the millstone about the neck of Canada in the form of that wilderness of rocks which separates Ontario from the prairie provinces. I do not know why it was that something like that $7 million was not provided many, many years ago. I do not see how it could be that men, around the year 1900, and from there on, failed to realize that calling upon the prairie provinces and upon British Columbia to bear the full burden of the futile daily haul across those thousands of miles was an outrage not to be contemplated with equanimity by members of parliament and by the provinces. Nevertheless that outrage has been contemplated and has been inflicted upon those four western provinces every year since the railways were built.

I believe other things are being overlooked, just as were those thousands of miles of rock. Until we give cognizance to those other things we shall never place Canada in a position where she can accomplish her maximum by way of well-being for Canadians.

I should like to commend the hon. member for Vancouver South for the views he expressed the other evening. In my opinion they were genuinely statesmanlike. His general attitude was that we should approach this whole matter with calmness and a realization of the facts, and that we should try to do something about it that would be an honour to us in our generation. I believe I have correctly summarized what the hon.

member said, but if he feels I have been unjust, then he may make the correction.

But, applying that general principle, let me draw to the attention of hon. members once again the fact mentioned by the hon. member for Vancouver South. Trucks and busses are now cutting into a great deal of the most profitable business of the railroads, and that is entirely as it should be. What is the use of living in an age in which we have wonderful machines, if the people cannot obtain benefit from those machines?

In addition to that, the top layer of business of the railways is being taken off by the aeroplanes. Our own Trans-Canada Air Lines, as well as other air transportation companies, are doing the job—and rightly so. Once again, why in an age of splendid machines should we not profit through the use of those machines? While we recognize that those particular machines at both ends of the business are taking off the cream of the transportation business, we expect the railroads to be able to make a success of their undertaking with what is left. We expect those people who must use the railroads to bear the whole brunt of their maintenance. How can men in this House of Commons be more neglectful of their duty than to disregard that important fact?

There are those in the dominion who believe that trucks and busses should be brought under central control and forced to discontinue competition with the railroads. Could there be a more fantastic attitude to take toward machines than to put them in a position where they cannot fulfil their purpose? If we had tried back in the horse and wagon days when busses and trucks began to come into use to bring them under control and make them unable to compete successfully with the wagons and horses, what a nonsensical situation that would have been! No one would fail to recognize the tragic absurdity of such a position. Yet the like of that is practically what we are meditating when we entertain the notion of limiting truck and bus competition with railroads.

Our whole idea seems to be that come what will these railroads must be able to raise enough money from the traffic they carry to discharge their responsibilities and commitments and make a go of their organizations. We simply must once more recognize, as we have now done in the case of the wilderness of rocks, that with this rapid development of impinging transport industries a factor is brought into being which must be provided for, not by the poor unfortunate people who still have to use the railroads but by the whole Dominion of Canada.

We must have the railroads and they must be in the best of condition when we need them sorely as in time of war or when our crops must be moved to the sea. But that does not mean that the people using the railroads should have to pay the whole shot. It is a national advantage and a national necessity that these railroads be in perfect running order, adequately equipped with personnel and rolling stock so that they will be able to serve us in time of need. Why should we as a nation not pay for that great facility just as we pay for the construction of airports or for military preparedness? It is just part of the cost of keeping ourselves able to meet the exigencies of the future.

I feel almost certain that before too long men will recognize that the only way of meeting this equalization problem and at the same time enabling the railroads to carry on is an adequate subsidy paid out of the consolidated revenue fund by all the people of Canada. I sympathize intensely with the people of British Columbia. I quite understand the attitude of the hon. member for Vancouver-Quadra and I honour him for the courage that he has manifested. He feels that British Columbia is in danger of losing the few crumbs of advantage she already has. I know something about the disadvantages under which British Columbia is labouring. Life is not all meadows and sunshine there, not by any means. She is enduring a freight rates structure which is almost as unhappy for her as is the freight rates structure which the maritimes must still endure, even with the bit of patching done to their situation.

If we want Canada to make her fitting contribution to the well-being of the world we simply must not put parts of Canada in a position where they are burdened down and prevented from making their contribution. Everywhere we are having impressed upon us at the present time the tremendous need of increasing the production of food for the world. If I am correctly informed, only yesterday Dr. Barton gave a talk over the air from Rome in which he pointed out the tremendous need of increasing food production.

Let it be borne in mind that one of the greatest potential areas on the face of the earth for the production of food is Canada. Let it be borne in mind that if we inflict upon our people a burden of freight rates so great that they are unable to produce fully and profitably and market their products we shall be preventing Canada from doing the thing which perhaps is the most important for her to do in this critical time of world history. Each and every freight rates increase

which has occurred in the last few years has made it more difficult to produce and market butter and all kinds of dairy products, all kinds of poultry and meat products, and practically every product produced in Canada. It has made it more difficult to have a farm which is near submarginal and make it pay.

If we are worthy of the position we occupy in this house we will take cognizance of that fact and adopt every measure to see to it that every possible producer in Canada is, as far as is practicable, put in the position where he can do the best he is capable of doing to build up the productive capacity of Canada to the optimum degree.

Let me say once more that a subsidy to be paid out of the consolidated revenue fund will have to be resorted to if we are going to have fair rates, or I would say tolerable rates, in this nation. I shall close by once more congratulating the minister upon the position he has taken in the committee and elsewhere in respect to this bill. I think that is an achievement which will redound to his credit all through future times and I do not think I am speaking extravagantly when I say that.

Before I resume my seat however let me say that we must not assume that the railroad fixture we have planned for today is our ultimate goal. We have merely won one or two trenches and everybody must start immediately to determine how we are going to win the next trench and consolidate those we have won already. I think it was the hon. member for Vancouver South who pointed out that in five years we shall probably have to have a new set-up. I think that is true. We cannot have that set-up by just letting the railroads and their employees struggle along until they get to the point where they feel that they simply must have additional freight rates, then to continue with the hit and miss, chaotic system of the past for the next ten or fifteen years until another royal commission will have to be appointed. We must go at this matter in a sensible way, appreciating the difficulties with which these people are confronted, and making provision for the remedying of the difficulties before they become acute.

Mr. Macdonald (Edmonton East): As one of the members who served on the special committee on railway legislation, I feel that at this stage I should make a few observations. Like other members who served on the committee I should like to state that I never served on a more interesting committee, or one before which more qualified witnesses appeared or where the chairman gave more consideration to everyone concerned in studying the legislation. I believe that the railways of Canada are perhaps more important than those of any other nation, for without railways this country could not exist. I have been an employee of one of the railways for over thirty years, and I appreciate that railways must have revenues to exist.

There is nothing in this legislation that is going to do away with railway earnings. As a matter of fact I believe that the procedure outlined in these amendments to the Railway Act will result in a more equal distribution throughout Canada of the collection of freight rates from those sources from which the railways obtain their revenue. I am not anxious to prolong the enactment of this legislation. For that reason I take the opportunity on this section to speak about two matters in the bill that are of particular interest. I refer first to the new section 332B found in section 7 of the bill. This section is of great importance to the people of Alberta, and is not only important for the beneficial change it makes in the rate structure. After forty years of discrimination in the Canadian freight rate structure this section removes what almost might be described as a festering sore in the economy of our whole province. Shortly stated, that discrimination permitted the railways to charge more, much more in some important instances, to Edmonton and Calgary for transportation of goods from eastern Canada than was charged to Vancouver, 771 miles farther.

It is a fundamental rule in transportation that you cannot charge more for a shorter than for a longer distance, other things of course being equal, and the rate comparison I have cited was a striking violation of that principle. The railways justified the violation by pointing out that there was water competition from eastern Canada to Vancouver which did not exist at Edmonton and Calgary. However, the people of Alberta were not long in finding out that on transcontinental traffic in the United States no such discrimination was permitted owing to the combined effect of the railway law of the United States and the rulings of the interstate commerce commission. Since 1922 it has been laid down that the rate to interior points in the United States must not exceed the rate to west coast destinations. For example, if the rate from Cleveland to San Francisco was $1.50 the rate from Cleveland to Salt Lake City was $1.50 and no more.

The Alberta people submitted this grievance to the general investigation of the board of railway commissioners in 1927 and no relief was given. The discrimination was left as it was. The matter was then placed before the

Rowell-Sirois royal commission in 1938. I believe that the report of that commission, while lending a sympathetic ear, said that it was a matter for the board of transport commissioners and that it probably warranted investigation. Then came the royal commission on transportation set up by this government in December, 1948, with broad and unrestricted terms of reference. Again the people of Alberta were given an opportunity to seek redress of this old wrong. A case was submitted to the royal commission on the long and short haul principle and their complaint with respect thereto. The royal commission recommended a solution for this serious discrimination, and I am glad to compliment the government, and particularly the Minister of Transport, for having faithfully reproduced in the bill the recommendations made by the royal commission.

The recommendation of the royal commission does not give intermediate destinations the full and complete relief from long and short haul discrimination which is enjoyed by the people of Idaho, Washington and Utah, but what it does do, as expressed in the bill, is to provide that the people of Alberta will pay the rate to the west coast plus 33⅓ per cent. However, at this time, we are content with that seemingly unfair treatment. We recognize, as the royal commission did, that this has been a controversial matter and the good people of Alberta are satisfied to compromise and accept less than was sought with a view to maintaining harmony.

To illustrate the discrimination existing at the present time, and which the bill will remedy, I might give the house one example, the movement of canned goods, which is an important one. The story is told at page 101 of the royal commission's report. The rate shown there has since been increased, and I will give the existing rates. The present rate on canned goods from eastern Canada to Vancouver is $1.57. The rate to Edmonton is $3.23, but I must point out that by use of what is called the Vancouver combination the rate on very large carloads can become $2.97. By combining the rate of $1.57 to Vancouver with the back haul rate of $1.40 from Vancouver to Edmonton you can get a rate of $2.97. This so-called privilege is extended so as to obviate the necessity of actually hauling to Vancouver and back to Edmonton.

Applying the remedy recommended by the royal commission, namely, that the rate to the intermediate point must not be more than one and one-third times the coast rate, our rate to Edmonton will become $2.09. From what I have said hon. members will readily realize that I am giving my wholehearted support to the bill in the belief that in so far as Alberta is concerned it is one of the most beneficial pieces of legislation that have ever come before the attention of this house.

Mr. Decore: Although I was not a member of the special committee on railway legislation, inasmuch as I come from the province of Alberta I should like to make a few observations. I believe one of the greatest steps toward national unity in this great country of ours is the introduction of this measure by the minister, a measure based on some of the recommendations of the royal commission on transportation. Rarely, if over, have the western provinces since joining confederation been in a position to win so notable a victory. There is no question that there has been unjust and unfair discrimination concerning freight rates especially in the western provinces and particularly the province of Alberta. We of course realize the difficulties of railway transportation in a country like Canada. It is a country which has thousands of miles between the Atlantic and the Pacific, with mountains and barren territory in between. Let us also not forget that we have in Canada a population of only some 14 million people, a very small population, considering the intricate and vast system of rail transportation that we have here. The cost is obviously very high to the people.

Rail transportation is the life stream of the economy of any country. In Canada it is not only that life stream of our national economy, but it is also a very important factor in national unity. Therefore it is a matter of national concern, and it is important that the burden of rail transportation should be, and must be, on a more equitable basis.

The reason I rose was to make this observation and to bring out the fact that this great victory for the west, and particularly for the province of Alberta, as a result of the Turgeon report, would hardly have been possible had it not been for the silent acquiescence of the provinces of Ontario and Quebec. I understand that neither of these provinces that has the benefits of the freight rates as they have existed up until now appeared before the Turgeon commission. Probably the Turgeon commission report would have been different had they appeared. I assume that if representations had been made by the provinces of Ontario and Quebec they would have tried to continue the unjust discrimination in their favour. But this they did not do, and we in the west most certainly appreciate the attitude of these two provinces, and especially the attitude taken by the hon. members from these provinces. I think to a great extent this will eliminate the bitterness which sometimes existed in the

west toward Ontario and Quebec. I believe this is a great step in strengthening national unity in this country.

Mr. Gillis: Before we proceed with the bill may I say that the royal commission devoted twenty-one pages of its report to the recapitalization of the Canadian National Railways, and it set out some formulae. I am not going to make a long argument on this, but I am in favour of what the royal commission said in their report. For example, there is the psychological factor as it applies to the Canadian National Railways in this accumulation of deficits. The commission definitely states that the Canadian National Railways did prove conclusively that their case was good in so far as an adjustment in their fixed charges was concerned. While the bill does not do anything specifically about it, is it the intention of the board of transport commissioners and the minister's department to study further the recommendations of the commission in regard to a revision of the capital structure of the Canadian National Railways?

Mr. Chevrier: The answer to that question is yes. I think I have indicated that a committee is studying it now. I am sure my hon. friend will realize that it is a matter of some importance, and one that takes time to consider, just as it has taken a considerable amount of time to consider this legislation. But it could not possibly be in this bill. It would have to be a separate amendment, or perhaps another bill along the lines of the Canadian National Railways capital revision act, which was brought before this house some time ago. I can assure my hon. friend that it is under active consideration at the moment.

Mr. Green: I want to bring one question to the attention of the minister. Before doing so I should like to thank the hon. member for Cape Breton South and the leader of the Social Credit party, the hon. member for Peace River, and also his colleague, the hon. member for Lethbridge, for the kind remarks about myself. These three members and I have been friends ever since we first met here in the House of Commons, and perhaps we see each other through rose-tinted spectacles. However, I should like to reciprocate their kind expressions.

The matter I wanted to raise with the minister is the question of policy with regard to future appointments to the board of transport commissioners. A vacancy has existed for some time now, and I presume a new commissioner will be appointed in due course. I think the minister should pay close attention to the recommendations made by the Turgeon commission, which advocated strengthening the commission. If he will turn to page 272 he will find there under the heading "Assessment of the Suggestions", which means suggestions made by the various provincial representatives before the royal commission, the following paragraph:

> It can be stated fairly that what everyone really wants is that the board's powers be kept as they are now, but with the hope and expectation that the recent contentious proceedings which have gone on will cause the board to exercise greater care in the future in arriving at its decisions.

Further on in the same chapter we find the recommendation of the commission for strengthening the board. It is couched in very tactful language, but I do not think anyone can doubt what is meant. I suggest to the minister that, in making new appointments, it is of vital importance that the main consideration be the qualifications of the appointees. There is not going to be much improvement in the board of transport commissioners if the first qualification is that of having been a Liberal member of parliament, a Liberal member of a legislature or a defeated candidate. I hope that I would express the same sentiments if a Conservative government were in office at the present time. No doubt when one was in office it committed similar indiscretions; but we have come to the stage now in this transportation question in Canada when it is absolutely vital that the selections be made on a new basis. I hesitate to make this comment, but in the interests of the country I think it should be made.

Mr. Chevrier: I thank the hon. member for the suggestion which he has made. In view of the discussion which has taken place here and in view of the various recommendations, I think it is timely. I think, too, that the government has had that very strongly before it in the last recommendations. Certainly it cannot be said that what the hon. member suggested was in the government's mind with regard to the appointment of Mr. Justice Archibald.

Mr. Green: That is true.

Mr. Chevrier: He was, and I am sure the committee will agree, an outstanding candidate for that position. Unfortunately his health broke down. I think that goes for the present incumbent. I have known him for some years but more intimately within the last few weeks, and I am very strongly impressed by the force of character and by the intellectual powers of Mr. Justice Kearney, the present chief commissioner. Because of his qualifications I have no doubt that he will be a success as chief commissioner. It is certainly the intention of the government to make sure that any appointments in the future will be along the same line. It is certainly my intention to so recommend

to the government. But I would like my hon. friend to be reminded of this. There are some former Liberal candidates, elected and defeated, who are outstanding men. I would not want to have them ruled out just because they happen to be of that political persuasion. I do not mean to say they should be appointed because of that. Certainly those who have been appointed thus far were not regarded in that light.

Mr. Green: That is open to question.

Mr. Chevrier: I would not want my hon. friend to think that I am making this reservation because we intend to appoint a former Liberal member or a defeated Liberal candidate to the next vacancy. That has not even entered my mind nor the mind of the government, because we have not given it consideration yet. But again I want to assure the house and my hon. friend that it is certainly the intention of the government, and it has been in the last few years, to carry out the recommendations of the royal commission in so far as qualifications are concerned.

Mr. McLure: I do not want to make any extended remarks. When this matter was being considered the other evening I was anxious to ascertain what the powers of this board were, and the jurisdiction which it has. After I made a few remarks the other night I received a telephone message saying that I had been quite severe in what I said. So far as the railway problems in our province are concerned, I believe this board has always acted as a buffer between the Minister of Transport and the people who are looking for railway service.

In delivering judgment a few weeks ago on a railway problem in our province, the board disagreed amongst themselves and the chairman wrote a minority report which was based on certain reliable facts. As could be seen from the portion I quoted the other night, the remainder of the board put in a childish report. Whether or not we are getting the right class of man on this board, I do not know. Surely with this increase in salary we will get high-class men from the educational point of view. Still it is no use getting these high-class men if this board is, as it appears to me, just a buffer arrangement for the government when we make certain demands on the government. As I said before, according to the terms of confederation my province is compelled to deal directly with the government, and for that reason I would not favour these increases in salary until we see if we cannot get good men to serve. I should like to find out what the powers and jurisdiction of the board are.

[Mr. Chevrier.]

Mr. Chevrier: The powers of the board are set out in sections 32 and 33 of the Railway Act, principally section 33. The royal commission on transportation recommended that the powers be not broadened.

Section agreed to.

Section 2 to 6 inclusive agreed to.

On section 7.

Mr. Green: Section 7 is the section which contains the most important part of the bill. I would suggest that we consider this section clause by clause as those clauses will appear in the Railway Act itself. We could take section 328 of the Railway Act first, and so on through section 7 of the bill. It might be wise to consider one or two sections together during the discussion, but I think we would have a more orderly debate if we took it according to sections of the Railway Act.

The Deputy Chairman: Hon. members have heard the suggestion. Is that suggestion agreeable?

Some hon. Members: Agreed.

On section 7—section 328—*Division of freight tariffs.*

Mr. Green: Section 328 of the act deals with the new division of freight tariffs, dividing them into class rates, commodity rates, competitive rates and special arrangement tariffs. I have today received from the city of Victoria and the Victoria chamber of commerce a brief which refers apparently to the class rates. It sets out that after the mountain differential was removed on July 1, 1949, the railways discontinued a practice which had been carried on for many decades, namely that the rates to Victoria were practically the same as the rates to Vancouver. In other words there was what we might call a grouping of Victoria and Vancouver for the purpose of these class rates.

The mountain differential, of course, was very unpopular in British Columbia, and was extremely unfair because it set a higher rate for that province than for any other part of Canada including the prairies. I do not understand why, when it had been the policy of the railways to put Victoria on this basis, that policy was changed. I would ask the minister if there is not some way in which the problem can be met. No doubt he has had the same letter and brief that I have received. I believe it was sent to each of the British Columbia members. There does seem to be a need for some action to remedy that situation. Victoria is handicapped in any event by reason of the water trip from the mainland to the island. I do not think she should be further handicapped by having to pay these higher rates.

Mr. Chevrier: Mr. Chairman, in answer to my hon. friend's statement, may I say that I do not think section 328 of the act deals with that point. There is nothing in it, in my opinion, which could come to the rescue of these aggrieved people. When the province of British Columbia made its application for the removal of the mountain differential some time ago, I presume that there were placed before the board the handicaps and difficulties under which the area suffered because of the differences in the rate in the mountains as compared with the prairies. I would think that the remedy would lie with the board, in that an application should be made to the board by the persons aggrieved to have their original position restored. Since the board was seized of the whole question of the mountain differential, if something arose out of that judgment then I think it is for the board to determine.

Mr. Green: Apparently it does not arise out of the mountain differential. The position was that while these mountain differential rates were in effect, the rate to Victoria was practically the same as that to Vancouver. When the mountain differential was wiped out, then the railways put on the additional rate to Victoria. As I read the brief and the letter, it is a class rate and I should think the difficulty could be overcome by putting Vancouver and Victoria in the same group. I suppose that would be under the new section 332A. It has nothing to do with the mountain differential other than that when the railways lost revenue from the mountain differential being wiped out, they apparently decided to get more from Victoria by charging them a higher class rate than they had been charging, in comparison with the rate charged to Vancouver.

Mr. Chevrier: Yes, but that arises out of the position in the mountain differential. What the railways did was this. They simply did what they were entitled to do. They put Victoria on its proper mileage vis-à-vis Vancouver. That perhaps put the chief complainants in the position in which they find themselves today. But I think my hon. friend will find that there is in the Railway Act at this time ample provision for redress. I do not know what the section is—I think it is either section 314 or 315—under which any party aggrieved can make application to the board for redress.

Mr. Green: Would that redress be in the nature of making a bigger group; of putting Vancouver and Victoria in the same group?

Mr. Chevrier: I think it could be of that nature, and I think it could be in the nature of a general complaint.

Section 7—section 328—agreed to.

On section 7—section 329—*What class rate tariff to specify.*

Mr. Green: Will the minister explain that amendment? Also, as we come to other sections which have been amended, I would ask him to explain the effect of the amendments which have been made in committee.

Mr. Chevrier: This is a rather difficult amendment to explain. My hon. friend will recall that the same question was asked of me in the committee, and that I stated that it was an amendment of a technical nature which our officers thought should be included in the section. What was proposed before was this:

> Class rate tariffs (b) may, in addition, specify class rates between specified points on the railway which rates may be higher or lower than the rates specified under paragraph (a).

Then it was thought advisable by our experts to amend that so that the section would read:

> Class rate tariffs
>
> (b) may, in addition, specify class rates between specified points on the railway and when such rates are established in groups the rates between the groups may be higher or lower than the rates specified under paragraph (a).

I understand that under these standard mileage freight tariffs—a copy of which was filed—articles move in groups. The intention here is that where such rates are established for groups the rate between the groups may be higher or lower than specified in (a). Beyond that, I am afraid I cannot help the committee. It is a highly technical matter. If my hon. friend insists too much, I am frank to admit that I may not be able to explain it because it is a technical matter.

Mr. Argue: May I ask this question. Is it a further exemption to the equalization section? If the railways may specify class rates between specified points on the railway and when such rates are established in groups the rates between the groups may be higher or lower than the rates specified under paragraph (a), it would seem to me that that is an exception.

Mr. Chevrier: No, it is not. The exceptions to equalization are set out in section 332A. Those are the only exceptions and there are no others.

Mr. Green: On that point, Mr. Chairman, I have also been puzzled. The minister will remember that Mr. Evans, vice-president of the Canadian Pacific Railway, told the committee that 41·1 per cent of the traffic carried on that railway came under the exceptions in section 332A. But then he went on to say that, of the balance, 18·5 per cent of the freight was under class rates, which of course would be covered by the new equalization provision; 15 per cent was on mileage

commodity rates; but the remaining 25·4 per cent was on what he called point-to-point rates. In the committee he was questioned by the minister with regard to these point-to-point rates and gave this reply as reported at the top of page 59 of the minutes of proceedings and evidence of the committee:

Mr. Evans: Put it this way. I believe you can equalize class rates.

That, of course, would be 18·5 per cent of their freight traffic.

I believe you can equalize commodity rates, rates that I call commodity mileage rates, which are a general application of the tariff rate.

That would be the 15 per cent.

I do not believe you can equalize specific point-to-point commodity rates because they are put in to meet local conditions and local industry, and if you try to equalize them you are going to disturb a lot of industries whose rates are made for particular purposes, and I do not think you should attempt to equalize those rates; and I think that is why this bill specifically points to the equalization of the class rates and the commodity mileage rates and leaves the other rates in a general category for the jurisdiction of the board; because if you start equalizing all these specific point-to-point rates then you are in a hodge-podge that is going to overlook the reason why these rates were established.

From that explanation I took it, in reading over the evidence this morning, that in addition to the 41·1 per cent of the C.P.R. freight traffic which would not come under the national freight rates policy, there would also be this 25·4 per cent made up of point-to-point rates. I wonder if I am right in that assumption?

Mr. Chevrier: I think our expert witness indicated that equalization could not take place in so far as the exceptions in section 332A were concerned but that in so far as the rest were concerned, equalization was possible. While it is true that Mr. Evans made the statement which he made, in cross-examination of him I thought I had obtained from him an admission that so far as the remainder—59 per cent—of the traffic was concerned, it was possible to obtain equalization. Certainly I think that is the case. As to at least some of the exceptions that are enumerated in section 332A, it is possible to have equalization; equalization already exists. It is the view of our experts that equalization is possible in many, if not all, of the point-to-point rates. They disagree with the view of Mr. Evans in that respect.

Mr. Green: I do not think the minister obtained that statement or that evidence from the witness. I shall proceed to read the next question following that statement I read a few moments ago.

Hon. Mr. Chevrier: So with the exception of these point-to-point commodity rates you think it is possible to equalize commodity rates under this bill?

[Mr. Green.]

Mr. Evans: I do, sir, and we are in favour of it.

Mr. Browne: What percentage of these rates would be point-to-point rates?

Mr. Evans: I wish I could tell you. All the division that we have got is the division between the class rates, the commodity rates and the competitive. I do not think there is an analysis that goes deep enough to differentiate between the commodity rates and the point-to-point rates.

Then the minister will notice that as reported at the end of the page he asked the question again. But that did not bring out any answer to the effect that the point-to-point rates could be equalized. I would think, from Mr. Evans' explanation as to what these point-to-point rates are, that it would be doubtful whether they could be equalized to the same extent as class rates and commodity mileage rates.

Mr. Chevrier: It is the opinion of our advisers that many of the point-to-point commodity rates can be equalized.

Section 7—section 329—agreed to.

On section 7—section 330—*Tariffs to be filed and published.*

Mr. Green: Could we have an explanation of the amendment to section 330?

Mr. Macdonald (Edmonton East): Mr. Chairman, the Canadian Pacific Railway proposed an amendment to the subsection as originally drawn. This proposal was intended to protect the railway against claims by shippers, in courts, for reparations, that is to say, from damage claims against the railways that the rates charged were not just and reasonable. The amendment offered by the railway to give it that protection provided that as soon as the rates were filed with the board of transport commissioners they would be deemed conclusively to be just and reasonable. That proposal was objectionable, and I protested it. It might very well have proved to be an insurmountable barrier to a shipper seeking disallowance of a rate, as is frequently sought, on the ground of unjust and unreasonable. In any event the suggested amendment went far beyond protecting the railway against reparations claims. The amendment adopted by the special committee protects against such claims without interfering with the right of the shipper to go before the board seeking a disallowance of an unjust and unreasonable rate.

Mr. Chevrier: In answer to the question asked, might I point out that section 330 may be divided into several parts. Subsection 1 provides for the filing and publication of the tariffs, and the notice of cancellation of any tariff. Subsection 2, which was amended at the request of the committee, contains a clause which provides for the giving of at least three days notice where a tariff is reduced.

Subsection 3 makes provision for the giving of thirty days notice where a tariff is increased. Subsection 4 deals with competitive tariffs, and subsection 5 with the effective dates of the tariffs.

Section 7—section 330—agreed to.

On section 7—section 331—*Filing of competitive tariffs.*

Mr. Green: Would there be any objection to considering sections 331 and 332B together? Section 331 lays down the general rules with regard to competitive tariffs, while section 332B deals also with one type of competitive tariff. Would there be any objection?

Mr. Chevrier: I would like to accommodate the hon. member, but I am sorry I cannot because these are two different matters. One deals with conditions required of the railways when they file a competitive tariff; and while it is true that the transcontinental rate is a competitive rate, I feel the two should be taken separately. I hope my hon. friend will not insist.

I believe there would be no objection to his referring to section 331 when he is dealing with section 332B. Certainly I would not try to stop him. If he wishes to make his argument along that line, I think he should have the advantage of referring to the earlier section.

Mr. Green: That is what I had in mind. In discussing section 332B I hope to suggest that the difficulty which is sought to be overcome by that section might more properly be handled by an amendment to section 331. If I am free to refer back to the earlier section, I shall have no objection.

Mr. Chevrier: I can see no objection to referring back; but I hope my hon. friend will not insist upon having section 331 stand.

Section 7—section 331—agreed to.

On section 7—section 332—*Burden of proof.*

Mr. Green: Would the minister explain that?

Mr. Chevrier: The change in section 332 was inserted to meet the request of the Canadian Pacific Railway. I think it was the intention not only in the report of the royal commission but also in the whole statute dealing with the establishment of tariffs that competitive rates should remain as they were prior to the passage of this measure. The words "other than a competitive rate" had been omitted in the drafting of this section, and it was felt in fairness to the railways that there should be no interference with the competitive rate tariff. Those several words, "other than a competitive rate" were inserted in the section.

Mr. Green: Will the effect of the section, as amended in committee, be as follows: The section without the amendment provided that when anyone filed objection with the board against an advance in a freight rate tariff, the burden of proof justifying the increase rested with the company. In other words the company had to justify the increase. As the section was originally introduced, there was no mention of competitive tariffs. Now this amendment takes the competitive tariffs out of the provisions of the section, with the result that in the case of a competitive tariff a railway can raise that tariff and does not have the onus of proving that the increase was justifiable. Is that correct?

Mr. Chevrier: I do not think it takes the competitive rate out. The competitive rate wording simply was not there, and it leaves the section exactly the way it was before in that respect. A further definition is given.

Mr. Green: No; as the bill was introduced into the house, when any rate was advanced by a railway the railway had to justify that advance. In other words the onus of proof, or as it is called the burden of proof, was on the railway. That of course would include competitive rates, because originally they were not exempted in this section. The amendment introduced in committee takes the competitive rates away from that provision, and provides that there will be no onus on the railway to justify increasing competitive rates?

Mr. Chevrier: In effect that is so.

Mr. Argue: I wish to make a comment on that language in 329(b). The view of the counsel for Saskatchewan, and I believe counsel for other provinces, has been that competitive rates in the past have been lowered and for that reason there has been great disparity. I think the amendment is a good thing in that it will allow the railways greater facility in raising competitive rates. Certainly if competitive rates are raised, the difference between the freight rates in one section of the country as compared with those in another will be lessened. I believe this is a good section.

Section 7—section 332—agreed to.

On section 7—section 332A—*National freight rates policy.*

Mr. Green: Will the minister explain the amendment to this section?

Mr. Chevrier: The amendment is in subparagraph (f), which reads:

> Rates applicable to movements of freight traffic upon or over all or any of the lines of railway collectively designated as the "eastern lines" in the Maritime Freight Rates Act as amended by the Statute Law Amendment (Newfoundland) Act.

As the committee knows, the recommendation of the royal commission made it quite clear that there should be no interference with the principle of the Maritime Freight Rates Act. It was certainly my understanding that there was no such inference in the recommendations of the commission. Furthermore I expressed the same opinion in this house, that the maritime freight rates preference was not affected in any way.

However, both the representative of the maritime transportation commission and counsel for the maritime provinces took the view that for greater security these words should be inserted. The other provinces were of the opinion that as it then stood the bill was sufficient to protect the position of the maritimes, but they said they had no serious objection to the insertion of these words. The words were inserted and accepted by the committee, and are now in the bill. To my mind those words simply give greater protection to the preference, or to the position of the maritime provinces. I am sure the committee was delighted to consent to the introduction of this subsection if it eased the minds of hon. members from the maritime provinces. From the outset it was the intention that there should be no interference with the statutory rights of the maritimes, and I think this additional paragraph (f) makes it clear beyond doubt.

Mr. Brooks: Mr. Chairman, I should like to make a few remarks in connection with this. As I said when I was speaking on the first section, we from the maritime provinces appreciated the attitude of the committee and of all parts of Canada toward our great problem. However, I would not like this committee to get the impression that those who are representing the maritime provinces and the maritime transportation commission were asking for something they did not think was really necessary. They presented a long brief to the committee; and it will be remembered that while the minister was quite definite in his statement that the Maritime Freight Rates Act was protected, there was something beyond the Maritime Freight Rates Act that Mr. Matheson and Mr. Smith, representing the maritime transportation commission and the province, felt should be protected. I refer to what is known as the maritime freight rates structure.

The maritime freight rates structure consists of our rights under the Maritime Freight Rates Act, certain arbitrary groups of rates, and our rights under the old Intercolonial railway. That is what we wanted protected and that is what we feel is being protected under this amendment, but which was not being protected under the bill as it then stood. I think I could best indicate to the house the attitude taken in the committee by reading from the proceedings of the special committee, at page 110, where the chairman asked this question:

> Have you any reason to believe that the same board of transport commissioners will not follow the same practice in the future when there is no legislative authority directing them to change it?

Mr. Smith pointedly replied:

> Our fear, if I may put it so, Mr. Chairman, is that there is a declaration of policy. Now, either that policy means something or it means nothing, and if it means what we think it does—and I do submit as a lawyer of some experience that it is clearly susceptible of that interpretation—there is, in my opinion, as I think, to use an expression of the honourable the minister, a directive to the board to put into effect a policy. Now, what is that policy?
>
> The policy is, as I understand it, that there be uniform systems of freight rates in Canada.

Mr. Smith then goes on to quote the first subsection of section 332A which reads:

> It is hereby declared to be the national freight rates policy that, subject to the exceptions specified in subsection four, every railway company shall, so far as is reasonably possible, in respect of all freight traffic of the same description, and carried on or upon the like kind of cars or conveyances passing over all lines or routes of the company in Canada, charge tolls to all persons at the same rate, whether by weight, mileage or otherwise.

Mr. Smith then goes on:

> And now, Mr. Chairman, as I see it that is a general directive; and then, it is true, the next subsection is permissive, the word "may" being used; and it provides that "The board may with a view to implementing the national freight rates policy, require any railway company."
>
> And now, that is an over-riding obligation, as I see it, to bind the board to effect a national freight rates policy. And now, what are they to do? They are
>
> (a) to establish a uniform scale of mileage class rates applicable on its system in Canada, such rates to be expressed in blocks or groups, the blocks or groups to include relatively greater distances for the longer than for the shorter hauls.

Mr. Smith's contention was that there was this general directive under the act which would override the permissive clauses. I simply mention these matters to show that I feel there was justification in the argument of both Mr. Smith and Mr. Matheson, that their arguments were not unnecessary as I think the minister is now stating and as he stated in the committee. Mr. Smith continued at page 111 as follows:

> I do submit, Mr. Chairman, that the authority and jurisdiction of the board is so circumscribed and limited by this declaration of policy that we will have to have something in there for our protection.

I have tried to give the background of that need of protection. As I said previously, we in the maritimes appreciate the action of the committee and the minister, but we feel also that both Mr. Matheson and Mr. Smith and the maritime transportation commission

were justified in presenting their brief to the committee. I do not think the minister wishes to belittle their action but I would not like it to be understood in this committee that the action taken by Mr. Matheson and Mr. Smith was not necessary as perhaps the minister might lead us to believe.

Mr. Argue: Mr. Chairman, as I have said already, I believe this equalization section is the most important in the bill, and I am most anxious that it be fully implemented as quickly as possible. I think the minister will agree that if there is any undue delay in bringing about equalization it will destroy much of the benefit provided by this bill. I am wondering if the minister is able to tell the committee what is the goal of the government, the period in which equalization may be brought about. When the minister and the government were drafting this section they must have had some time objective in view, because if no effort were made to bring about equalization in a reasonable time this bill would be of little value. I wonder if the minister could tell us approximately how long it will take to make this section operative.

Mr. Chevrier: I think it is rather difficult to answer my hon. friend's question with any degree of assurance. I am sure my hon. friend realizes that this section, as well as all other sections having to do with rates, is one for the guidance of the board of transport commissioners. They and not the government fix freight rates. They are the ones who grant either increases or decreases from time to time, and they are the ones who will put this equalization section into effect. Under P.C. 1487 they have been instructed to carry on an investigation of the freight rate structure, and the royal commission on transportation hoped that investigation together with this bill would be very helpful in bringing about a plan of equalization. I can only say what the experts have said in the committee, namely, that it is a matter of some time.

In the United States, for instance, it took the interstate commerce commission twelve years to equalize rates, and I am reminded that was only class rates and not commodity and other rates. It has been given in evidence that it will take anywhere from three to five years to do the job in Canada, and I am sure the board, in view of the discussions that have taken place in this committee, will want to get on with the job as quickly as possible.

Mr. Argue: I hope the board will want to get on with this matter as quickly as possible. I appreciate the fact that the minister cannot say with any degree of accuracy how long equalization may take, but I am wondering whether the minister would agree with the evidence given by Mr. Knowles that a period of five years might be the time required. All I should like is some target, whatever assurance the minister can give me as to the time it will take to bring about equalization. Will the minister agree that five years is a reasonable time, that we may have some reasonable expectation that at the end of five years all or almost all of the rates will be equalized?

Mr. Chevrier: If it will help my hon. friend I will be pleased to repeat here what our experts think—and I have to base my opinion on their advice, particularly in a matter of this kind—namely, that it would take about five years before a plan of equalization would be complete.

Section 7—section 332A—agreed to.

On section 7—section 332B—*Definitions.*

Mr. Laing: This is the one section of the bill that has been of considerable concern to members from the province of British Columbia. The calibre of debate has been sufficiently high on this subject that I am not going to say anything that will lower it. The people of British Columbia do not want any amendment made in the bill at the expense of any other part of Canada. We have not built up what we have in that province today by enforcing harsher conditions on any other part of Canada, and we do not intend to do so in the future. However, what we are particularly concerned about in this section is that the transcontinental rates are the ones upon which is to be founded the entire intention of the section and the most important part of it, namely that in the intermediate territory the rate that shall apply from the eastern territory to the western territory or from the western territory to the eastern territory shall not be greater to any point than one and one-third the competitive transcontinental rate.

Our excellent friends from Alberta are delighted with this legislation, and I can understand their delight when for many years they have been paying rates which were sometimes two and a half to three times the transcontinental rate. To have relief proffered in the form of an over-all rate to all intermediate points not greater than one and one-third the transcontinental rate is a most engaging prospect. However, I should like to draw their attention to this point, and I should like the minister to make some comment concerning it. Members from Alberta must remember that the one and one-third rate is dependent entirely upon the maintenance of the transcontinental competitive rate. We and the representatives employed by the

province of British Columbia to appear before the committee were of the opinion at one time that we could include something in the section which would ensure that the transcontinental competitive rates would apply, but we are told that by the very nature of competitive rates such an amendment cannot be included.

Therefore we are concerned with this section which endeavours to spell out the meaning of the national policy to bring relief to a great part of the prairie provinces, because in order to bring that relief we must have maintenance of the transcontinental rates. If I may revert to section 332A, we were inclined to believe that there was adequate provision under subsection 3 of that section, which reads as follows:

> The board may disallow any tariff or any portion thereof that it considers to be contrary to the national freight rates policy, and may require the company, within a prescribed time, to substitute a tariff satisfactory to the board in lieu thereof, or may prescribe other tolls in lieu of the tolls so disallowed.

We thought that was ample provision. Many people who gave evidence—and this was also indicated in many briefs sent to us—indicated that they thought the freight rate structure could suffer if it were made too rigid, that after all the board of transport commissioners had to make decisions in these matters and that as much leeway as possible should be given to them. I suggest that subsection 3 of section 332A gives all the leeway in the world to the board of transport commissioners to provide a satisfactory rate in any direction for any commodity. But in order to pinpoint national policy as it may affect the prairie provinces it is proposed to include this one and one-third provision based upon the transcontinental rate. It comes to us repeatedly that relief for the prairie provinces is founded completely upon maintenance of the transcontinental rates.

We had some evidence on the part of the railways to this effect: Well, if you do not have the transcontinental rates we will put in a low commodity rate that will not hurt you too much. That evidence is to be found on page 211 of the proceedings of the committee. The witness, Mr. Knowles, suggested that such a low commodity rate would not be too high either. Our only point is that we are interested in the maintenance of the transcontinental rates. We want to point out that the relief for the prairie provinces which is proffered in the substance and the spirit of this bill is dependent upon the maintenance of the transcontinental rates, and we are further advised that we cannot include an amendment to maintain those rates. That is why we took the stand we did in the committee, and I would much prefer to see 332B dropped entirely.

Mr. Churchill: It must be evident by now that there is a weakness in section 332B, which deals with the transcontinental rates and the imposition thereon of what we have been calling the one and one-third rule. When you look back over the meetings of the special committee, and when you look at the debate in this committee so far in connection with this bill, it is a strange thing that most of the sections have gone through, both in the special committee and here, without any great delay; but when you come to section 332B you find a very sharp difference of opinion, and that difference of opinion is absolutely non-partisan. In view of the nature of our country it happens to be sectional.

What is wrong with section 332B that it has aroused this difference of opinion? I submit for the attention of the committee that section 332B, based as it is on a recommendation of the royal commission, has not back of it the same weight of opinion that we find with regard to other recommendations of the royal commission. We have been told of the number of meetings that the royal commission had, and of the opportunities afforded all interested parties to make representations. Over a period of a year and a half the royal commission investigated all these problems; and it is only reasonable to expect that when there has been complete investigation, when every party interested has made his statement, a finding of a royal commission should receive due consideration. I think that with respect to other parts of this particular bill due weight has been given to the recommendations of the royal commission. But here, in so far as I can discover, and based on the statements made by the official representatives of the province of Manitoba and of the city of Winnipeg who appeared before the special committee, this particular finding of the royal commission did not have back of it the complete evidence that is back of other findings. Just let me read what counsel for the province of Manitoba said when he appeared before the special committee:

> The recommendation of the Turgeon royal commission (p. 100 of the report) on which the section is presumably based, was not advocated by any person or organization appearing before the commission. The railways did not suggest it as sound from a rate-making point of view. The provinces and other interested groups did not suggest it as sound from either a rate-making or economic point of view. In short, the suggested 1⅓ rule is entirely arbitrary in character, unsupported by any representation before the Turgeon commission.

In other words, had Manitoba then been aware that this one and one-third rule was going to be a finding of the commission, that province would have made a detailed study of the matter and would have made an effective presentation. I presume that British Columbia would have done the same thing, and the other provinces entering into it. Then what would we have had? We would have had a deliberate study on the part of the royal commission of the effects of that particular rule, and then a finding; and based on that finding, legislation. Had that happened, we would not have been in the same position in the special committee nor here in the committee of the whole. We might have raised an objection, whatever the finding would have been, but naturally the objections would not carry as much weight as I suggest the objections that have been put forward so far do carry.

I have put before the committee of the whole for its consideration the point of view of the province of Manitoba, the city of Winnipeg and the Winnipeg chamber of commerce. This point of view is a serious and considered one. The people who presented the briefs to our special committee were men who have been concerned with and engaged for a long time in the study of freight rates. They had competent economic advisers and men who were able to give them adequate advice on the freight rates problem, and I think their point of view deserves very careful consideration. In fact I thought that at the meeting of our special committee the point of view against 332B in its present form was rather completely set forth, and I entertained the hope at the time that some modifications would be introduced, just as in other aspects of the bill we have had certain modifications brought in. However, that did not happen, so we have reached this stage where it is necessary to put the position of Manitoba before the committee of the whole so the committee will have a full understanding of our objection to this section.

As the brief for Manitoba represented, Manitoba states that a violation of the general principles of the bill has occurred. This bill is aimed generally at equalization, and this method of dealing with the transcontinental rate involves something that is not equalization. At the bottom of page 125 of the report the royal commission points out that equalization is not going to be obtained very quickly; that is, some study must be made of the problem, and the report says:

> Undoubtedly many serious problems are involved, for example the effect that the proposals may have on railway revenues, on established industries and on trade and market patterns. All of these things are matters of the utmost importance. Having regard to the large number of rate changes which will be involved, the problem is one peculiarly for the board to resolve finally after the general freight rate investigation and after all parties who may be affected by the proposals have had an opportunity of being heard.

Well, no one can find fault with that suggestion in the report. Surely it is a reasonable and sane way to put into effect any alteration in the freight rate structure. If that were done in connection with this particular proposal in 332B, the position of Manitoba and the city of Winnipeg would be that there could be no objection. If the board were empowered, before putting it into operation, to investigate its effect, if any, on established industries and on trade and market patterns, we could scarcely raise objection, but there seems to be no opportunity for doing that. It is going to be written into the statute and may be applied immediately, and in our opinion Manitoba will not benefit thereby; or at least, if there is some benefit thereby, Manitoba's competitive position will be endangered to some extent.

Just to summarize the point of view of the Manitoba government let me read just one paragraph from the brief presented before the special committee:

> We think that section 332B is wrong both in principle and in practice, because it would give to a restricted area a special low rate which is not justified by the competitive tests of section 331 or by the national freight rates policy of equalization as set out in section 332A.
>
> The effect would inevitably be to reduce railway revenue in that area below the level which is reasonable and proper under an equalized rate structure, with the result that other areas would be called upon to pay slightly higher rates to make up the necessary revenue.

Then on the next page there are two sentences I should like to quote:

> The disturbance of existing and long-established competitive positions of businesses in the various centres of western Canada.

This would result from the application of this rule.

> The distortion of a sound set of principles laid down in sections 329, 331 and 332A by the special concession to a particular area on a particular type of traffic as set out in 332B.

The city of Winnipeg presented a similar point of view. It all comes down to this. We are of the opinion that there will be an adverse effect on Manitoba's industrial development, particularly in respect of steel products. We in Manitoba sometimes feel that people are not aware of the extent of the industrialization of the province. My argument is based on the effect of section 332B of the Railway Act on our industrialization.

Without enlarging upon it to the fullest extent, I want to say a word about Manitoba's industrial development. It has been proceeding at a very satisfactory rate during the last few years. We take a considerable interest and pride in that fact. Anyone who is interested in getting a more complete picture may refer to the Toronto *Saturday Night* of November 24, 1951. On page 23 there is a useful article by Mr. Carlyle Allison concerning Manitoba's industrial development, and the introductory sentence is in rather forceful language. It reads:

> It is a sore point in Manitoba that eastern Canada—and particularly Ottawa—still regards the keystone province as primarily agricultural . . .

Manitoba has a thoroughly developed agricultural economy which has been the backbone of the province for a great many years. At the same time we are developing an industrial side, the extent of which can be seen in this article. The whole point of my argument is that when you have an industrial development the freight rate structure becomes just as important to that section of your economy as the freight rate structure is to the movement of your agricultural products.

I quote again from this article in *Saturday Night*:

> The total value of all farm production in Manitoba in 1950 was $298,952,000; the gross value of manufactured goods produced in Manitoba in 1950 was estimated at $525 million.

Just to complete the industrial picture, since the beginning of world war II the number of manufacturing firms grew from 1,000 to more than 1,600, and their employees from 24,000 to 43,000. In 1951 alone 25 per cent of the province's manufacturers extended their plant facilities. It is because of the development of Manitoba's industry that we are so concerned about any alteration in the freight rate structure which may adversely affect that industry. Our industry is not located solely in the city of Winnipeg and suburbs. Brandon, Portage and other places in Manitoba are gradually taking part in this industrial development and will similarly be affected.

As I said, steel seems to be the product which is most likely to be affected by this rule in section 332B. By checking through the Winnipeg telephone directory I found that there were twenty-four firms advertising themselves as producers or fabricators of iron or steel. In the Canada Year Book I discovered that 10,000 people are employed in industries that have to do with iron and steel. Many of these people are employed in the railway shops, but through correspondence with Winnipeg I have discovered that there are certainly 5,000 employees who are directly employed in these various industries I have mentioned. A new plant for the fabrication of steel has just been erected at a cost of half a million dollars. I have mentioned that steel fabrication is an important part of Manitoba's industrial production, and if her competitive position in that field is endangered, as is suggested by this brief, our hope is that some attention will be paid to the matter and our position restored, or else assurance given that the board of transport commissioners will go slowly in making any change which will adversely affect our industry.

It is an interesting investigation to consider the interrelation of the economy of the western provinces and the trade that flows between these provinces. It is not to our advantage if any of the western provinces are weakened in any way. It is not to the advantage of any of the other western provinces if Manitoba is weakened in any way. As I mentioned yesterday I am sympathetic towards the point of view of the province of Alberta, and I hope that province will be sympathetic towards the point of view of Manitoba. With the development of Manitoba and the subsequent increase of population, there will be a market for Alberta products. We have not the advantages of coal or oil, and consequently each year we import from Alberta 600,000 tons of coal and an estimated 6 million barrels of oil. It is a large and growing interprovincial commerce, and the maintenance of Manitoba's industries means the development of Manitoba's population and the consequent greater dependence upon the provinces of the west.

In conclusion I suggest that the proposal put forward in the brief of the city of Winnipeg is the one that should be considered. After all it is a reasonable suggestion, and does not ask for anything more than fair treatment. I read from the brief:

> We respectfully suggest that . . . if the mandatory language of section 332B be modified to permit the board some discretion which would enable it to relate the intermediate rate to the normal rate as circumstances may warrant, most of our apprehension would be alleviated.

I think that is a fair and reasonable presentation of the point of view of Manitoba, and that it should be given serious consideration here. What purpose will we have achieved if the board of transport commissioners is going to be faced, year after year, with a conflict over something which is now rather hastily written into the act? Surely the opposition that has been developed to section 332B is an indication of conflict in the future unless there is some modification of that particular

section. Modification could surely be made with a view to recognizing the established positions of the provinces concerned.

Mr. Herridge: Mr. Chairman—

Mr. Knowles: Mr. Chairman—

The Acting Chairman (Mr. Gibson): The hon. member for Kootenay West.

Mr. Herridge: I must first of all congratulate you on your new office, Mr. Chairman; I am sure you will occupy the chair with grace and dignity, and that you will exercise wisdom and great independence.

Mr. Knowles: As usual.

Mr. Herridge: I have risen to speak only briefly because I must say that this question of the mechanics of freight rates is to me a bit of an enigma, and I am not given to speaking on subjects about which I know little. I know the attitude of some of the people of British Columbia towards this section of this bill, and I rise particularly for the purpose of supporting the remarks made by the hon. member for Vancouver South. I am not going to repeat what he said, but I thought he aptly expressed the concern of a considerable number of people in British Columbia over section 332B of this bill. I may also say this. In view of the technical nature of the subject and the great concern of all hon. members for the sections of the country which they directly represent, I think the debate has been carried on at a high and tolerant level and I am pleased to note that fact. I think that has been possible because there is a general recognition that this bill is a particular and first attempt to develop a national freight rates policy.

Again I want to say that I think the hon. member for Vancouver South expressed in excellent language the concern felt by a number of people in British Columbia. I am not sure how this bill affects the people in the eastern portion of the province. I think possibly the people of British Columbia will be affected in various ways, according to the maintenance of the present transcontinental rates. When the minister replies I should like him to give to the committee some assurance that the people of British Columbia can expect the maintenance of the present transcontinental rates about which they are concerned.

Mr. Byrne: Mr. Chairman, the hon. member who has just taken his seat feels, perhaps as much as I do, that the eastern portion of British Columbia may either be adversely affected by this legislation or be benefited. As a British Columbian I rise to take exception to this clause because I feel that it adversely affects the province of British Columbia. Many of my views have already been expressed by the hon. member for Vancouver South. However, some evidence was submitted to the committee which I feel should at this time go into the record.

Section 332A deals exclusively with the question of transcontinental competitive rates. Our understanding of transcontinental competitive rates is that they may be continued only so long as the board of transport commissioners is assured that the railway companies are making a profit, or at least that they are compensatory, and that all commodities hauled at those rates will bring some measure of return to the railways.

Before going further I think it would be well to remind the committee that British Columbia, which contains a fairly large population, is certainly the province that is the greatest distance from the industrial central portion of Canada, and that with commodity and mileage rates we pay an amount greater than that paid by any other province, according to the distance from the central area. That is, if we are 700 miles farther west, we pay that much more on our commodity and mileage rates. We therefore are at a grave disadvantage in this respect. If the transcontinental rates are to be maintained they must be compensatory, as I have said previously. If the provinces of Alberta and Saskatchewan have been plundered—and some of the members from Alberta have seemed to try to give that impression—a large amount of money must be involved. When the one and one-third rule is applied, there will be a measure of loss to the railways on the transcontinental rates. If there is a loss due to the return under the one and one-third rule, there must be an increase in the transcontinental rates. It is on that basis that we from British Columbia feel there is a grave danger of the transcontinental rates either being abolished or increased. Despite the feeling that is at present abroad in Alberta and Saskatchewan, despite the fact that they feel they are going to receive great benefits from this one and one-third rule, we feel it is quite possible that they will stand to lose as well as British Columbia.

It has been said that many of the briefs we have received are from quarters which we may say have no actual remunerative interest in the question, at least as far as the political aspect is concerned. We have a brief from the Canadian industrial traffic league. This, of course, is in the records of the committee, but I should like to read from it at this time:

> Our concern is, primarily, with subsection 2 (b) of proposed section 332B which would establish a specific maximum to intermediate points over a transcontinental competitive rate. This subsection would, in effect, decree rates by statute, although such rates are not named specifically.

Then further down:

> We strongly recommend to the committee that further study be given to the method of dealing with this problem which has been evolved in the United States under what is commonly known as "fourth section relief." In brief, as applied to transcontinental rates this requires that the railways make such rates applicable to intermediate points unless the interstate commerce commission grants their application to do otherwise.

If that were written into this section it would provide relief, so that if any rate were found to be non-compensatory it could be appealed to the board, and some measure of assurance could be given that the transcontinental rate would not be lost.

Then the Montreal board of trade, referring to section 332B, says:

> As with other shippers, there is no opposition to any effort to provide lower rates to any intermediate points. It is felt, therefore, that the transcontinental competitive rates should have intermediate application but that should the carriers require relief from this intermediate application, then such relief should be effected by application of the carriers to the board of transport commissioners rather than by statute as this section would require.

And then the board of trade of the city of Toronto, with respect to the same section, states:

> In such a situation, it is possible that the railways may have to reconsider their position respecting these rates—

That is, competitive transcontinental rates.

> —and in that event it is conceivable that they may be forced to cancel the transcontinental rates and probably be compelled also to review the existing system of publishing competitive rates in the light of the possible general effects such legislation may have on these rates.

As I say, that is our fear. However, if the minister can assure us that we are not in immediate danger of losing our preferred position of being a coastal province, and if there is no danger of losing our transcontinental rates, then I am prepared to support this section of the bill.

Mr. Knowles: I feel it is quite significant that this debate is being conducted in the very moderate terms which characterize the speeches being made. This is especially true in view of the sectional interests that seem to be involved. I think that very moderation with which members from different parts of the country are speaking indicates our desire, no matter from what part of the country we may come, to take whatever stand is in the national interest. Furthermore I think it indicates that if from the point of view of any section of the country we feel there is a particular point we have to make, or a particular position we have to put forward, none of us wants to do that to the detriment of any other section.

[Mr. Byrne.]

I believe what I have just said characterizes the remarks of several of those who have spoken just now. Naturally I am particularly interested in the remarks of the hon. member for Winnipeg South Centre, since both of us come from the same area. I agree with pretty well everything he said. I think there may be some slight differences of emphasis I would wish to make, in respect of what I think should be done; but we each appear to have the same approach to the matter. I am sure the committee listened with interest to the statistics the hon. member placed before us concerning the growing industrial activities of our city of Winnipeg and our province of Manitoba. I think hon. members generally will agree that once the life of a community becomes centred around and established upon certain industries, and certain things being done, one should not see those industries disturbed unduly unless there is good cause for such disturbance or appropriate compensation.

I too think the representations made to the special committee on railway legislation by the Manitoba government and those representing the Winnipeg chamber of commerce were likewise moderate. They did, of course, express opposition to the one and one-third rule. I am not so sure I can go that far and say that I would want the one and one-third rule deleted from the bill, because I cannot get over the fact that, to me, it is in the national interest that the advantage that the one and one-third rule will give, particularly to areas such as Saskatchewan and Alberta, should be enjoyed. That is one of the aspects of the approach toward equalization which has been a goal for many years. Nevertheless I do think it is perfectly proper for the people of Winnipeg, and for those of us who represent that area, to look at the effects of that one and one-third rule in so far as it applies to the Winnipeg area.

The hon. member for Winnipeg South Centre has already referred to the brief presented to the committee by the government of Manitoba. I have it before me; and I am thinking in particular of the example given in that brief respecting freight rates on iron and steel products from Hamilton to Winnipeg, and on to Battleford. It was pointed out that the present rate from Hamilton to Winnipeg on steel products is $1.64 and from Winnipeg to Battleford $1.10, or a total of $2.74 for the entire distance if the material is shipped from Hamilton to Winnipeg and then shipped again from Winnipeg to Battleford.

The rate from Hamilton to Edmonton at the present time is $2.91. By making further reference to the Manitoba brief I would point

out that when the one and one-third rule becomes effective, since the transcontinental rate to Vancouver is only $1.48, the rate to Edmonton would be only one and one-third times that, or $1.97. That through rate from Hamilton to Edmonton would thus be less than the combined rate for iron and steel products from Hamilton to Winnipeg and from Winnipeg on to Battleford or Edmonton. As a matter of fact under this new arrangement it would be possible for iron and steel products to be shipped from Hamilton to Edmonton and back to Battleford, cheaper than they could be shipped from Hamilton to Winnipeg and then from Winnipeg to Battleford.

It is precisely that kind of anomaly, that kind of inequality, that equalization is supposed to get away from. I welcome the fact that in many instances this sort of difficulty is being ironed out. That is one of the main purposes of this legislation. But it does seem that Manitoba has made a case to the effect that some new anomalies of this kind may be created for Manitoba by the strict application of the one and one-third rule. I am not one who will ask that Winnipeg or any other part of the country be kept in a protected position. It is my view that when there is an attempt to follow that theory or philosophy the people of the country sooner or later have to pay for it in higher costs.

At the same time I think Winnipeg is perfectly justified in asking that it ought not to be placed in a disadvantageous position, and it does seem to me that something could be done to solve the kind of problem outlined in the Manitoba brief. The hon. member for Winnipeg South Centre in my opinion approached this question in a statesmanlike fashion. If I heard him correctly, it was not suggested that we should put up a fight against the one and one-third rule but that the board of transport commissioners should consider problems of this kind and try to find some way of solving them. The hon. member referred to the request from Winnipeg that the board endeavour to relate intermediate rates to the normal rates.

What interests me even more than that are what are sometimes referred to as in-transit rates. I know this matter was discussed in the special committee only briefly, and the reference to it will be found on pages 143 and 144 of the proceedings of the committee. At that time I believe the chairman suggested that a slight extension of the in-transit rule might solve the problem. The hon. member for Winnipeg South, who was a member of the committee, said that it would not. It came out in the short discussion that took place right then, as I read the evidence, that an extension of the in-transit rule might solve the problem but it would have to be not a slight extension but an extension of considerable degree. It seems to me that would offer a solution of the problem.

I understand that the in-transit rule is applied to the shipment of grain. Grain can start from one point as grain, stop somewhere along the way and be milled into flour, and then be shipped on as flour and the rate paid is the through rate for the total distance. It seems to me that would provide an answer to the problem connected with iron and steel products because that is the feature of most concern to Winnipeg. The board of transport commissioners should find some way to make sure that the total rate for two parts of a distance between two points should never be greater than the through rate between those two points. In other words, if the one and one-third rule is going to place a certain maximum on the rate from Hamilton to Battleford, with which I agree, I submit that the rate on iron and steel products from Hamilton to Battleford, even though they are fabricated along the way at Winnipeg, should not be greater than the through rate which would be possible under the one and one-third rule.

I was interested in the discussion that took place a while ago about the job to be done by the board of transport commissioners in implementing the principles and provisions of this bill. I followed with considerable interest the remarks of my colleague, the hon. member for Assiniboia, who pointed out that perhaps the major part of this job would be that to be done by the board of transport commissioners after the bill is passed. I hope I am not being unfair to the minister when I say that I think he agrees with the view expressed by the hon. member for Assiniboia. Although he did not want to answer the question as to how long the job would take, it is clear that this matter of implementing these provisions is of concern to the department.

I should like to ask the Minister of Transport if under the bill as it will now go through it is possible for the board of transport commissioners to extend the in-transit principle in such a manner as to solve the kind of problem I have presented to him, which I have taken directly from the Manitoba brief.

Mr. Green: Mr. Chairman, in speaking on section 332B I speak as a member representing British Columbia and not on behalf of my party. It is perfectly clear that in the case of the Liberal party, the Conservative party and the C.C.F. party there are members on both sides of this argument. The question

involves Manitoba and British Columbia on the one side and Alberta and, to a lesser extent, Saskatchewan on the other. The Social Credit party may think they are in a preferred position in this debate in being all on the one side.

Mr Low: We usually are quite united.

Mr. Green: I would point out to them that in recent months they have been very busy wooing the people of British Columbia. There has been a great one-sided love-making affair going on in that province. If they are not careful about the way they go after British Columbia in this debate they may find the people of British Columbia deciding that in effect they are in the position of Little Red Riding Hood with the Social Credit party representing the wolf dressed up in grandmother's cap and spectacles. I must admit that I gained that impression from the hon. member for Bow River when he spoke two nights ago, but today both the leader and deputy leader of the Social Credit party have spoken in a most statesmanlike way and I appreciate the attitude they have taken. In our own party the hon. member for Calgary East has been one of the leaders, ever since he first came here, in placing the position of Alberta before the house.

It is just too bad that this position should have arisen and the four western provinces, of all parts of Canada, placed in two opposite camps. We have had the small end of the stick in so far as freight rates are concerned from the start and nearly all the time these provinces have combined to fight against the injustices in our freight rates structure. Mr. Chairman, there is something about western Canada which I am sure a man of your great intelligence will understand. We are a little different from other Canadians.

Mr. Brooks: Just a little?

Mr. Green: I do not like that laugh from my friend the hon. member for Royal. I know that when the train rolls on to the prairies I always feel that the air is fresher and perhaps a little purer than what we have had to endure in central Canada.

Mr. Brooks: Much hotter too.

Mr. Green: There is a clannishness among the people of the four western provinces which is very worth-while in our Canadian set-up, and I regret that in the argument on this particular section we find ourselves divided.

That division did not start with the members of the house. We all went into the committee believing there was no particular objection to this section, but when we heard the representations made by the official representatives of the four western provinces we realized that a very difficult question is raised by this particular section. It deals entirely with one group of rates known as transcontinental rates. They are rates which have been established, in effect both east and west, because of the ship competition on the west coast; not only competition from ships carrying goods from eastern Canada through the Panama canal to the Pacific coast, but also ships from abroad. For example there is ship competition from Great Britain with respect to cast iron pipe. Heavy commodities such as cast iron pipe and steel can be carried very easily by ship, and of course can be carried at a low rate.

There can be no doubt that the transcontinental rates are competitive rates. It is true that some of them are very low. For example, the rate on iron pipe is low so the railways can meet the competition of the ships. However, we were told in the committee that there are rates in Ontario and Quebec which are equally low in order to meet truck competition. The point I am trying to make is that these competitive rates to meet carriage by ship are not unduly low. They have been of great benefit to the province of British Columbia because we prefer to get these goods by rail. It is a great deal more advantageous to a businessman to get his supplies by rail because they come a great deal faster than by ship, and there are not the same delays. A ship may have to go to other ports en route, and it is an advantage to be able to get goods by rail.

The transcontinental rates have not only been of benefit to the area or the Pacific coast which includes the cities of Vancouver, Victoria, New Westminster and Prince Rupert, but also to quite a large territory inland from the coast for a distance of approximately one hundred miles. They have been of benefit to the interior of British Columbia because goods transported to the interior get the transcontinental rate plus the rate from Vancouver to the point in question. That is what is known as the back haul, and it is of great benefit to the whole of the interior of British Columbia. It is also of benefit to Alberta cities. Let us take Edmonton, for example. Edmonton gets the benefit of the back haul where there is a transcontinental rate. People there pay the transcontinental rate to Vancouver plus whatever the rate is to carry the goods back from Vancouver to Edmonton. That is cheaper than they would have to pay on a mileage basis coming across

Canada from Ontario or Quebec. I do not believe any hon. member will question that such is the case.

British Columbia is entitled to these transcontinental rates under the laws of Canada as they exist at the present time. That too cannot be denied. On the vast majority of the goods shipped to the west coast we pay the ordinary rates, and we pay the highest rates in Canada. I repeat, we pay the highest rates in Canada on goods coming from eastern Canada with the exception of those few items that are under transcontinental rates. We pay the highest rates also on the great majority of the transcontinental rates. There are only a few of them on which the rate to the coast is lower than the rate to points in Alberta.

Section 331 of the Railway Act contains a code for competitive rates. It sets out what the railways must be able to show if they are to continue a competitive rate. I believe they can bring it into effect without securing the approval of the board but once it has been brought into effect then it can be attacked unless it meets with the requirements set out in section 331. I ask hon. members to look at that section in order to see what those requirements are. Mind you, the competitive rate is lower than the ordinary rates. In the first place it must be shown that competition actually exists. The rate cannot be maintained unless there is competition. Then it must be shown that the rates are compensatory, in other words that the railway is making some money on them. Naturally it will not make as much as it would on the regular rates, but under section 331 the railway cannot carry these goods at a loss under competitive rates. It must also be shown that the rates are not lower than is necessary to meet competition.

These three requirements must be met if the competitive rates are to be kept in effect. Furthermore, such rates are only permissible under our Canadian law where there is competition. They do not apply to intermediate points where there is no competition. Rightly or wrongly it has been the law of Canada that competitive rates would not apply to intermediate points where there was no competition to be met as there is in our case at the coast. There are examples of that right here in Ontario. For example, there is a cheaper rate from Ottawa to Windsor than to London, although the goods go through London on the way. The reason for that is water competition to Windsor and not to London. That evidence was given by the counsel for British Columbia, Mr. Brazier, and will be found at page 189 of the proceedings of the committee. He pointed out that the rate from Ottawa to Windsor, a distance of 472 miles by water, is 48 cents. The rate to London, a distance of 362 miles, which is not on the water, is 60 cents; that is 12 cents higher than the rate to Windsor. Another example is on the rate from Toronto to Sault Ste. Marie. Reference to that will be found at page 34 of the proceedings, in the evidence of Mr. Evans, vice-president of the Canadian Pacific Railway. He pointed out that the Canadian Pacific Railway line from Toronto to Sault Ste. Marie is only 439 miles in length. The Canadian National route from Toronto to Sault Ste. Marie is almost double that length, namely 780 miles; yet the rate over both railways is the same because there is the competition. But the points which are on the way to Sault Ste. Marie on the Canadian National Railways line do not get that reduction. They have to pay the regular mileage.

Another feature about the competitive rates which should be borne in mind is that the railways can increase them or abolish them at will. The board of transport commissioners has no power whatever to prevent the railways increasing a competitive rate, or wiping it out completely. Still another feature is that the areas which qualify for competitive rates are entitled to have the benefit of competition. In other words, on the Pacific coast we are entitled to have both the railway facilities and the ship facilities; just as in Ontario, cities where there is truck competition are entitled to have both the railway service and the truck service. Some hon. members suggested in the committee that because we have the ships therefore we do not need to worry about the rail rates, that it was quite right to take away from us any benefit of bringing freight by rail; but where this competitive situation is definitely established, then the area in question is entitled to have the benefit whatever the competition may be.

So much for the background; let us now come to what section 332B does. It adds to the code set out in section 331 for competitive rates, in the case of transcontinental rates only, a provision that the rates to all intermediate points in the prairie provinces cannot be more than one-third greater than the rate to the coast. There is a ceiling written in on competitive rates for the first time in Canada, and it applies to only one part of the competitive rates, namely those which are transcontinental. Furthermore, section 332B does not say that the one and one-third ceiling shall apply only on the

railway line over which the freight goes—it would not be nearly so objectionable if that were the case—but it defines an area practically from Port Arthur, I think it is, right through to British Columbia. And it says that in that whole area, a thousand miles one way and nearly the same the other, the rate cannot be more than one and one-third the rate to Vancouver.

See what that does. Freight goes to Edmonton, and then it may go 300 or 400 miles north to Waterways or to Grande Prairie in the Peace river country or to Lethbridge down near the United States boundary, and at each of those points the rate must be only one and one-third. That is not the United States system at all. The United States system is that on the line itself the rate must be the same as it is to the coast. They do not take in a huge territory such as has been done in this case.

What is the effect on actual rates? Take canned goods, which are an extreme example because the rate on canned goods is extremely low. It is one of the lowest rates, because ships can put the canned goods in the hold and carry huge quantities of them. I think one ship brought in half a million pounds. I do not remember the figure exactly—we had it in evidence—but it was a huge quantity.

The transcontinental rate to Vancouver and to the coastal territory is $1.57 a hundred pounds. The present rate to Edmonton—if it were on a mileage basis from eastern Canada, it would be $3.23—is only $2.97 because Edmonton gets the benefit of the back haul rate from Vancouver. The rate to Brandon is $2.15. If the one and one-third rule is put in the maximum rate for the whole of the prairie territory will be $2.09, which means that Winnipeg will have to pay just as much to get those canned goods as Waterways will pay away up in northern Alberta. That gives a very clear picture why Manitoba is opposing this section. Incidentally we get a cheap rate on canned goods only in carload lots of 70,000 pounds; in other words a very big car full. On the smaller carload lots of canned goods we pay higher than the rate to Alberta, even on the transcontinental rates. For example, on a carload of 24,000 pounds we pay higher than the rate paid to Alberta.

I hold in my hand a brief submitted by the Vancouver board of trade. They say:

> The board is much concerned, as also appear to be the railways, that if the commission recommendation, as included in bill No. 12, is adopted, such losses in revenue would occur to the carriers on traffic to intermediate points that it might be found necessary by the railways to cancel these transcontinental rates which have been found so beneficial to Vancouver, Victoria, Prince Rupert and other coastal points affected.
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> An illustration of this rate situation is shown herewith in the transcontinental rate on cast iron pipe from eastern Canada to named Pacific coast points: Group 1, including Vancouver, Victoria, Prince Rupert and New Westminster: $1.12 per 100 pounds.

The minimum car load is 70,000 pounds. There again you have the rate applying only for very large car loads. If you add the 33⅓ per cent to get the rate to intermediate points, it brings it to $1.49 per 100 pounds.

> The rate analysis from eastern Canada on this pipe and the estimated loss in revenue to the carriers is indicated to just three stations which are sufficient for the purpose:

They use the round figure of $1.50 instead of $1.49. The present rate to Dawson Creek is $2.61; to Edmonton it is $2.16, and to Saskatoon $1.79. The proposed rate in each case is $1.50. The revenue loss per car load to the carriers amounts to $777 per car load to Dawson Creek, $462 to Edmonton and $203 to Saskatoon. The mileage from Montreal to Dawson Creek is 2,655; to Edmonton, 2,160; to Saskatoon, 1,829. Then the brief goes on:

> Should the transcontinental rates be cancelled the commission plan would fail as the intermediate points would be assessed present rates and Vancouver and other coast points be penalized. Another important point—the same proposed rate would be authorized to stations with differences in mileage.

I cannot complete my remarks before the dinner recess, but I would point out that the loss in revenue to the railways is not going to come out of the pockets of the railways. It will come out of the shippers or the people in some part of Canada. Do not let any of us believe the railways are going to absorb any of this loss. They do not have to do that.

Mr. Low: Which loss?

Mr. Green: The loss that is shown in the figures I have just quoted concerning the iron pipe.

Mr. Low: They do not show any loss.

Mr. Green: I believe this brief does show a substantial loss amounting to $777 on one car load. These losses will have to be paid, and they are not going to be paid by the railway; make no mistake about that.

At 6.15 p.m. the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Green: When the committee rose at 6.15 I had been pointing out that section 332B provides that in the intermediate area the freight rates shall not be higher than

one and one-third of the transcontinental rate, and I went on to explain that this provision applies not only to the line of railway over which the goods move but to the whole territory of the prairie provinces and indeed in Ontario as far east as Fort William and Port Arthur. That provision of course brings into the law a new restriction on competitive rates. A new principle is brought into these rates. It covers a large area running hundreds of miles in both directions.

The result is that on some of the goods the freight rate from eastern Canada will be the same to Winnipeg as it is to Saskatoon, Edmonton and as far away as Waterways. That means a new discrimination in our freight rates, because the people of Winnipeg or the people of Brandon will say, quite rightly: Why should we have to pay for this freight the same amount paid by a merchant hundreds of miles away in Edmonton or in Waterways? We are therefore not getting away from discrimination. I think a whole new series of complaints about discrimination in freight rates will be initiated if this section is left without some qualifying provision.

We should also remember that all hope of benefit to Alberta or to western Saskatchewan is based on the railways not increasing these transcontinental rates or wiping them out altogether. Any benefit that is going to come to this intermediate area disappears if the railways see fit to raise the transcontinental rates. The foundation for any relief given by section 332B rests on our transcontinental rates to the Pacific coast.

Mr. Blackmore: Will the hon. gentleman permit a question?

Mr. Green: Yes.

Mr. Blackmore: I realize that the hon. member is starting on a most valuable discourse. I should like to have him define for us what he means by discrimination. I ask that question as a matter of clarification, not in order to embarrass the hon. gentleman.

Mr. Green: I thought I had explained that point. Under this new plan the rate on canned goods, for example, or on cast iron, will be just as high to Winnipeg as it is to Saskatoon, Edmonton or Waterways, because the one and one-third ceiling clamps down on the rates all over the whole of the prairie area. I am afraid that will mean there will be complaints from Manitoba—as we have already heard today—on the ground that they should not have to pay for their freight the same as the people who live farther west. They will try to break down this rate, because they will not be able to understand why they should have to pay say $2 per hundred pounds when the man in Edmonton or Waterways is paying only the same amount. The effect goes further than that, because under these rates a wholesaler in Edmonton will be able to buy goods and ship them back half way to Winnipeg and put the Winnipeg merchant out of business.

Mr. Low: Not outside of his own area.

Mr. Green: Oh, yes. This changes the whole distribution area, because the rate to Edmonton will be exactly the same as the rate to Winnipeg. The Edmonton merchant could therefore ship goods half way to Winnipeg and beat out the Winnipeg man, although the goods have come through Winnipeg to get to Edmonton.

Mr. Low: Do we not have to look at the consumers' angle also? That is a highly important thing, it seems to me.

Mr. Green: The whole benefit is based on the transcontinental rates remaining untouched; and of course that is where British Columbia begins to worry. We should be delighted to see Alberta get all the benefits possible, but we are afraid that as a result of this plan the transcontinental rates will be wiped out on some goods, or will be increased. If that happens, Alberta will get no benefit and we will be penalized. That is the picture.

Then I come to what the railways are likely to do. It must be remembered that the railways are free to wipe out these transcontinental rates without the board of transport commissioners being able to prevent that action. The vice-president of the Canadian Pacific Railway gave us figures as to the amount of freight that is involved both in the prairie area and in British Columbia. It is estimated that in the course of the year 1949, under these rates, on goods shipped to British Columbia the C.P.R. earned a total of approximately $1,500,000. On the other hand goods were shipped to the prairie provinces earning in freight the amount of $15,500,000 which might be affected if this new plan is put into effect. That means that on the prairies the amount of freight revenue in danger is ten times that which would be earned in British Columbia by maintaining the transcontinental rates to the coast. As Mr. Evans said, the railways simply will not take that loss. They need not take it because they can increase our transcontinental rates, and it is only human nature to take that step in order to prevent the loss. On that point he is reported at page 43 of the proceedings of the committee as follows:

I submit if it is enacted—

Referring to this section 332B.

—it may result in a breakdown of the entire rate structure, may cause substantial losses in revenue to the railways and may lead to a defeat of its purpose because it will not any longer be possible to maintain the same low basis of transcontinental rates to meet this competition.

That is, to meet the competition by ships. Mr. O'Donnell, counsel for the Canadian National Railways, was examined and at page 202 will be found his answers to questions I asked about getting a guarantee that the transcontinental rate would not be increased. I said:

Would you give us any undertaking that the transcontinental rates would not go up?

I meant if this section becomes law. He replied:

We could give no undertaking in that regard with respect to any particular rate.

Mr. Cleaver: Would the hon. member mind reading the rest of the paragraph?

Mr. Green: He continued:

I think you have to take it for granted that the railways are out to get all the business they can, even business that they can get on a basis that will make a contribution to their overhead, not necessarily a profit, but a contribution to their overhead; they are going to take it, they will take anything that is going to make money for them.

Now, if the railways decide to make the transcontinental rate high enough so they will not have to lower their rates to intermediate points, and particularly to Edmonton, by reason of this section 332B, the result to British Columbia will be that we will have an increase on approximately 63 per cent of the items which are carried west under this present transcontinental rate. Those figures were furnished to me by the economic expert for the government of British Columbia.

An even more objectionable feature is that in the future the railways will be very reluctant to put in a new transcontinental rate. Here they are faced with a ceiling of one and one-third to apply over the whole area, to practically every station in the prairie provinces, and they will hesitate to put in any new transcontinental rates.

Other areas in Canada are not being treated in that way. They have no such restrictions. Ontario and Quebec receive great benefit from the competitive rates in these two provinces. They receive a great deal more benefit than British Columbia receives from the transcontinental rates. Yet there is no ceiling written on the competitive rates in Ontario and Quebec. If the law of this land is to be that the rates to intermediate points in competitive tariffs must not be more than one and one-third times the rate to the points of competition, then surely it would only be fair that the rule should apply across the nation and not only to the transcontinental rates.

Some mention was made this afternoon of the origin of this new plan. It came out in evidence before the committee that the provinces had no opportunity to argue it before the royal commission. Apparently the commission got that suggestion from someone—I think from one of their technical men—and it was brought down in the report without the provinces concerned having had the opportunity to point out what the result would be. I think the royal commission did excellent work, but on this one point they should certainly have given the provinces affected an opportunity to come in and be heard, rather than make a recommendation without its having been given full consideration.

I have great sympathy for Alberta. Frankly, I do not think Saskatchewan is so much concerned. My understanding is that the east half of Saskatchewan will be hurt by the new section, but the west half will be benefited. I repeat, I have great sympathy for Alberta. That province and my own province of British Columbia have more in common than any other two provinces in Canada. I would hope that in the years ahead they will be able to work together very closely. If we do that, then those two provinces will constitute almost an empire.

In my opinion, however, this problem can be met in another way. I believe section 331, dealing with competitive rates, could be amended by putting in that section a provision that where the rate to an intermediate point is over one and one-third the board of transport commissioners will have power to consider whether or not that rate is fair and reasonable. If it were not reasonable, then they would be able to prohibit it, they would be able to cut it down.

There are only a few items causing all this trouble. It is not as though hundreds of freight items were concerned. I believe those causing the serious trouble are the four or five listed in the report of the royal commission. There may be some additional ones, but Mr. O'Donnell said there would not be more than twenty. In order to bring about a fair rate situation with regard to those twenty items, surely the proper way would be to give the board jurisdiction to deal with them, rather than to write an entirely new principle into our law governing competitive rates and restrict that new principle entirely to the transcontinental rates which are beneficial to British Columbia.

Some of these twenty odd items are of great importance in British Columbia. Included, for example, are iron and steel items. If that were not the case I do not suppose there would be much objection to letting it go. But they do enter into our economy to a very large degree, and we have to ask that there be no restriction placed upon the transportation of those goods, such as we believe would follow from section 332B.

That section is out of place in this bill. Here we have a new national freight rates policy. This section does not fit in with that new policy, because it opens the door to new types of discrimination. It is also outside the policy for competitive rates as laid down in the Railway Act. I am afraid it is going to start a lot of fresh trouble out in western Canada, and that is something which certainly should be avoided.

I had intended to quote from some of the briefs filed, but I shall conclude by reading from only one or two of them. The first of these is the brief from the board of trade of Toronto. I would point out that the provincial governments of both Manitoba and British Columbia are opposing this section. Here we have the brief from the board of trade of Toronto, which says:

Section 332B (2a) Maximum tolls to or from intermediate territory.

This board questions the advisability of establishing in statutory form the conditions set forth in this proposed amendment. The railways, in our opinion, should be free to meet any competition actual or potential to Pacific coast points without being obligated to reduce their rates on such traffic to intermediate territory. It is only by their freedom of action to meet such competition that the railways can protect their revenues and at the same time assist Canadian suppliers to meet foreign competition to Pacific coast territory. In its conclusions on the subject of competitive rates generally, the royal commission says on page 86:

"The railways should neither be denied the right to meet competition, nor, when once they have decided to publish competitive tolls in one area, be forced by law to apply these same tolls to other regions where competition between transportation agencies is non-existent."

It is a matter of record that the transcontinental competitive rates have been established only because the railways were faced with competition actual or potential. It is therefore reasonable to conclude that if the railways are to be compelled to extend the benefits of these competitive rates to points where competition is not involved a principle will have been established which it is feared would have a marked influence on the future publication of such rates. Certainly it is difficult to imagine the railways being willing to publish or maintain rates on a competitive basis to the Pacific coast if they were compelled by statute to depress their rates on the same commodities to inland and prairie points where the competition did not exist. In such a situation, it is possible that the railways may have to reconsider their position respecting these rates and in that event it is conceivable that they may be forced to cancel the transcontinental rates and probably be compelled also to review the existing system of publishing competitive rates in the light of the possible general effects such legislation may have on these rates.

I think that sums up the situation very neatly. I would hope that the minister would give the section further consideration and possibly agree to an amendment which would give the board power to review any of these rates which are over one and one-third and cut them down to that figure if they are found to be unreasonable.

There are nearly two million people in British Columbia and Manitoba, and about the same number in Saskatchewan and Alberta, and I doubt the wisdom of adopting a policy on which there is such a wide difference of opinion. It cannot be good legislation when there are such large blocks of people who will be dissatisfied. For that reason alone I submit that the government is unwise to force through section 332B in the form in which it is now found in the bill.

Mr. Chevrier: Mr. Chairman, I want to refer immediately to the moderation with which this section of the bill has been discussed this afternoon and evening. I want also to thank and commend hon. members for the manner in which they have received this bill. There has been almost unanimous acceptance of it, perhaps with the exception of section 332B, to which the hon. member for Vancouver-Quadra and those who have joined with him have objected. I want to tell the committee that it is a matter of deep satisfaction to me and I am sure to the government that the recommendations of the royal commission on transportation which they have attempted to implement by way of legislation have found such favour.

I hope the hon. member for Vancouver-Quadra will accept the remarks I am about to make in the spirit in which they are made. I want to assure him that anything I have to say on section 332B is made in that same spirit. His moderation in debate has been such that I would not want him to think for a moment that anything I have to say is said in any other than the same way. But I think the hon. member and those who are associated with him have not only overstated the case, they have exaggerated it. I believe when the hon. member comes to place it in its proper perspective he will find that it does not mean anything like he thinks it means. I am sure that at one stage he must have thought exactly as I do at the moment.

My reason for saying that is that in the freight classification there are about 14,000 items and only 2,000 of those move under the transcontinental tariff. This means that immediately 12,000 items are eliminated from the provisions of this section. Of the remaining 2,000 items there are barely nineteen that

could have any effect upon the position as placed on *Hansard* by the hon. member for Vancouver-Quadra. A moment ago he placed on the record some figures which would indicate, to use his words, that there would be an increase of 63 per cent in the rates on freight carried west under transcontinental rates.

I challenge that statement; I say that statement is not correct. I have in my hand a statement that has been prepared for me by the same expert and adviser who gave evidence before the royal commission and who was heard by the committee. I am sure that the manner in which he gave his evidence found favour with hon. members. This statement indicates that of a total of nineteen items moving under the transcontinental rate and which may be affected by section 332B, ten of them clear it and therefore will not be affected at all. For instance, the rate on automobiles to the coast is $8.98 per hundred pounds. If you apply the one and one-third rule the rate will be $11.94. The present rate to Calgary and to Edmonton is $7.37, so there is no application at all. The same goes for confectionery and furniture. In the case of furniture, the rate to the coast is $4.57; if you take the one and one-third rule it is $6.08. The present rate to Calgary is $3.79.

Mr. Green: I was referring to the items which will be affected, whereas the minister is referring to items which will not be affected.

Mr. Chevrier: I am coming to those. I am proceeding by process of elimination. I want to show that of these nineteen items there are at least ten which will not be affected because they are clear. If my hon. friend will allow me, I should like to give some further items. For instance, the rate on hardware to the coast is $3.07; under the rule of one and one-third the rate would be $4.08; the present rate to Calgary is $3.23. The rate on canned goods to the coast is $1.57; if you apply the one and one-third rule the rate is $2.09, whereas the present rate to Calgary, which is a combination of the Vancouver rate, is $2.99.

I come now to the items which might—not which will—be affected, as I shall attempt to explain later on, by the one and one-third rule. The first is chemicals and drugs, which I do not think is serious and which I shall leave for the moment. Then come the iron and steel items. On iron and steel for construction the rate is $1.48; plus the one and one-third rule it is $1.97; the rate to Calgary is $2.64. That may be affected. Iron and steel of a general nature comes under a rate to the coast of $1.98; plus the one and one-third rule the rate is $2.63; the rate to Calgary is $2.91. Paper and print will be affected, and so will soap, wire, syrup, starch, pipe fittings. There are nine articles.

Mr. Harkness: Has the minister the figures with respect to barbed wire?

Mr. Chevrier: Yes.

Mr. Harkness: Would you mind giving them?

Mr. Chevrier: The rate on wire to the coast is $1.48. If you apply the one and one-third rule it is $1.97. The present rate to Calgary is $3.23. Therefore there will be these nine items which might be affected by the one and one-third rule.

Mr. Green: I think there are other items which are not affected so much.

Mr. Chevrier: Yes, there are other items which are not affected so much, but the point I am coming to is this. Assume that those articles are serious, and I do not admit that. Assume further that the railways, because they are serious, withdraw them. Then is there not still competition by ship?

Mr. Green: But we should not be put in that position.

Mr. Chevrier: Wait a minute. Assume that there is no competition by ship. Is there not still competition by the United States railways? Is there not still competition into the back door of Vancouver by the Great Northern? Does anyone in this house think for a moment that the railways are going to allow this traffic to go to the United States railways? Of course they are not. What did counsel for the Canadian National Railways say? He said that in so far as the Canadian National Railways were concerned they had no intention of withdrawing the rate. I cannot speak for the Canadian Pacific Railway; neither can I speak for the Canadian National for that matter, but I will let counsel speak because he put on record what his views were. While I cannot speak for the Canadian Pacific Railway I will be a very surprised man if the Canadian Pacific withdraws any of the transcontinental rates—

Mr. Green: I certainly hope you are right.

Mr. Chevrier:—in so far as that section is concerned. Therefore the worst possible thing that could happen would be that there would be no steamship competition and no competition from the United States railways. That would be the worst possible event that could happen. I do not think it will, but suppose it did? Then what would take place? The railways would quote a special commodity rate which, as witnesses said before the committee,

would be slightly higher than the rate existing at the moment. That is the worst that could happen so far as British Columbia is concerned.

Opposed to that there are advantages to British Columbia by virtue of the one and one-third rule because the transcontinental rate applies to port areas on the coast, and therefore I maintain that the whole eastern half and the whole northern part of British Columbia will benefit by virtue of the one and one-third rule. My hon. friend shakes his head, but that is the advice I have received.

Mr. Green: That is not what the British Columbia government say.

Mr. Chevrier: I will come to that too. That is certainly what the royal commission on transportation recommended. Opposed to that position which I have expressed as being perhaps the worst that could be envisaged by British Columbia, and which I do not think will ever happen, there is the other problem, which has affected Alberta and a large portion of Saskatchewan for many years, namely the problem of unfair discrimination. It is one that is covered by section 314 of the Railway Act and one which could be remedied by an amendment to that section or by the section that we have sought to introduce under this bill. Subsection 5 of section 314 of the Railway Act provides in effect that there shall not be a greater charge for a shorter haul than for a longer haul, and an exception is made by the board because of the fact that this is a competitive rate.

Alberta has been suffering from discrimination for a number of years. They have been complaining about that discrimination, and on this point let me meet the argument of my hon. friend when he says he regrets that the provinces are divided amongst themselves with reference to section 332B. Let me answer him in this way. How much more would the provinces be divided if this bill were not made law? That is why the bill is brought down; because the royal commission, after having gone into the complaints, came to the conclusion that there were geographic, economic and climatic disadvantages being suffered by the extremities of this country. They sought to remedy them by the recommendations they made and which have been carried forward into the bill. My hon. friend says the provinces will be divided. I do not think they will. As a matter of fact, in answer to the hon. member for Winnipeg South Centre, when counsel for the province of Manitoba was asked by me whether or not he would prefer to have this bill or to have section 332 out and no bill at all he said: Of course we would much rather have this bill; and that goes for all the provinces.

Mr. Churchill: That is hardly a fair question.

Mr. Chevrier: Of course it is.

Mr. Churchill: Not "either/or" on the whole bill.

Mr. Chevrier: The point is this. Let me tell my hon. friend that if we did not have this bill all the things that Manitoba, Saskatchewan and Alberta have been complaining about over the years would not be remedied. All the provinces would go back before the board of transport commissioners under the circumstances as they were before, and the board would have its hands tied by judicial judgments handed down over the years. There would be no remedy at all for the present position. For the last forty-seven years the board of transport commissioners has been trying to remedy this position and could not do so because it did not have the power. We in this parliament decided that we would have a royal commission to investigate their complaints. After all, we must be logical. Did we not say to the provinces in effect—and when I say "we" I mean the government—all right; you want a royal commission, but you will have to take the bitter with the sweet. I am not admitting there is anything bitter in this bill. I do not think there is. With all due respect to my hon. friend—

Mr. Green: Surely it was never the position that the provinces had to take whatever the royal commission chose to bring in without any opportunity to protest and ask for something else. That is making the royal commission almost godlike. Nobody thought they were that.

Mr. Chevrier: No. I agree with my hon. friend that nobody thought they were that, but I think it might be interesting if I were to read to the house something that is contained in the brief of the premiers of the provinces to the government, and this is an entirely different citation from the one I put on the record before. I place this one on the record because it has particular reference to the problem under discussion now. Here is what the brief said at one point:

> In our opinion the only satisfactory way in which this problem can be met is by the appointment of a royal commission under the public inquiries act. The differences between the views of the seven provinces and the view of the federal government in this matter are not fundamental differences in any matter of principle.
>
> The dominion government feels that there should be a further inquiry into this matter. The seven provinces are unanimously of the same mind. The only question between us is as to the body which should conduct the inquiry and we feel that a royal commission can perform this duty with greater satisfaction than can the board of railway commissioners. We give the following reasons in support of our view:
>
> (a) With wide powers of reference enabling it to inquire into all railway problems of the country

as they exist in either a geographic or an economic sense with full power to recommend any amendment to existing legislation or as to the constitution, powers and duties of the regulatory body, it can do much to promote a greater sense of national and regional security in the dominion. We feel an opportunity should be given to the provinces to make recommendations with regard to the terms of reference of the royal commission.

(b) If the commission is composed of men of ability with an urge to inquiry constructively for solutions to problems now vexatious and pressing, such a commission could without spending too much time in hearing evidence arrive at conclusions calculated to advance the general welfare.

And we proceeded—

Mr. Green: Surely the minister is not suggesting that the provinces bound themselves by that request to accept whatever recommendations the commission saw fit to bring down.

Mr. Chevrier: No, I am not arguing that, but my hon. friend will see in a moment what I am coming to. This brief was read by one of the premiers, and at the end of the brief is to be found this addendum:

The submission which I make has the unanimous assent and approval of the premiers of Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, Saskatchewan, Alberta, and British Columbia. The premier of British Columbia is unable to be here today because of the demands of his own legislative session; but he was with us all day Saturday, on which day the proposals that I have outlined were discussed and agreed to by the seven premiers. I am authorized by Premier Johnson of British Columbia to say that, joining with the other provinces in the proposals now submitted, the premier of the province of British Columbia thinks it proper that it be made known to the dominion cabinet that the province of British Columbia had, prior to the judgment of the board, taken appropriate steps toward the filing of applications with the board of transport commissioners for the approval of the mountain differential, and intends to proceed thereon with all due diligence.

The province of British Columbia did proceed with the application to the board for the removal of the mountain differential, and the board granted the application. My hon. friend says: "Surely you are not arguing that the provinces are bound by these recommendations." I am not arguing that, but what I am arguing is that the provinces wanted the royal commission and in effect said: "There is no difference of opinion between us in principle. The only difference of opinion is that you want an investigation under P.C. 1487; we want a royal commission. Give us a royal commission and also let us assist you on the terms of reference." We have done that. Could we go any further than we have gone? Having read the report, having studied the report, having examined the conclusions, we adopted them. The hon. member for Vancouver-Quadra was also of the view that these recommendations were good. He was not only of the view that they were good—and now I refer to section 332B

[Mr. Chevrier.]

—but that they should be brought down and implemented at the earliest opportunity. The hon. member for Vancouver-Quadra made a lengthy speech when I dealt with the recommendations on the report of the royal commission in the house—and a very good speech it was—which indicated that he had studied the report of the royal commission very carefully. He dealt with many of the recommendations therein contained, and he dealt in an especial manner with section 332B. I am sure he will not object if I read to the committee what he said then. This was his statement on April 5, 1951. It can be found at page 1649 of *Hansard*:

Another subject which is also of great importance and which likewise calls for an amendment to the Railway Act is that of transcontinental rates. They are dealt with at page 96 of the report, and I refer particularly to page 101 where it is stated:

"The Railway Act should be amended to provide that when the competitive transcontinental tariffs are published by the railways, such tariffs shall contain a provision that the rates to or from intermediate territory shall not exceed the transcontinental rates by more than one-third."

As I understand it, the meaning of that recommendation is this. There are certain special transcontinental rates, for example, from Toronto and Montreal to Vancouver. They are only in effect because there is competition by sea and we benefit by those rates on the west coast. I presume there is also a similar benefit from transcontinental rates on the east coast. But the Canadians who live in the interior part of the country—for example, in interior British Columbia, in Alberta and, I suppose, in Saskatchewan as well—do not get any benefits from those transcontinental rates. They must pay a much higher rate. The commission has recommended that the higher rate that they pay in the interior portions of the country shall not be more than one-third higher than the transcontinental rates. I believe that that provision, if it became law, would be of great benefit to those Canadians who are not privileged to live at the seashore. I hope that the government will bring in an amendment to the Railway Act at this session to make that change possible as well.

Mr. Green: I am sure the minister would not want to be unfair. If he will remember, I said this afternoon that none of us had realized the defects in this measure until we heard the evidence in the committee. I quite admit that is what I said when we had the first review of the commission's report, but I made it perfectly clear this afternoon that when we got into the committee hearing evidence and realized just what the change did it altered the situation completely from my point of view.

Mr. Chevrier: I am not going to press the point, and I do not want to embarrass my hon. friend.

Mr. Green: Oh, I am not embarrassed.

Mr. Chevrier: But I do want to say that when he made the statement—

Mr. Green: I did not know as much then as I know now.

Mr. Chevrier: When he made the statement it was several months after the report had been tabled, and he had had an opportunity to study it. I think he has been fair in his—

Mr. Green: We had had the report only a few weeks.

Mr. Chevrier: No; I think the report was tabled in March. However, I may be mistaken. This statement was made on April 5. I will not pursue it any further because I do not want to be unfair to the hon. gentleman. There is no doubt about it, he has had a change of mind, whether or not it is because of the evidence in the committee. I suppose if he rises in his place and says it is because of that I as a member of parliament must accept his statement. Since he has said it, I do accept his statement, but I think nevertheless he has been influenced by that evidence in a manner other than which the evidence indicated, because my understanding of the evidence is not at all that of my hon. friend. And during the whole of this discussion, not only in the committee but in the house, it was said repeatedly by many hon. members that this is a very technical thing; it is a difficult thing to understand; we are not freight rate experts, and the like. Above all I certainly would subscribe to that position. I am not a freight rate expert. I have been dealing with this subject now for two or three years, and I do not profess to know a great deal about it, certainly not any more than the ordinary member of the house does. But the point I am trying to make now is that we picked out a group of experts. We picked out men whom we thought—

Mr. Green: The minister is not suggesting that the members of the royal commission were railway experts.

Mr. Chevrier: I am suggesting that the members of the royal commission were men qualified to deal with this problem. I am suggesting that the members of the royal commission were exactly what this parliament wanted, and they had assigned to them the best experts they could have in this country, either in traffic, accountancy or otherwise. If there was a body competent to deal with it, it was the royal commission on transportation. What did they do? They listened carefully to all the evidence, and they recommended this one and one-third rule.

Mr. Green: They did not listen to anything in connection with this section.

Mr. Chevrier: The hon. member for Winnipeg South Centre says this rule was never discussed. He asks about the origin of this new plan, because the provinces had no opportunity of discussing this recommendation. But did the provinces have any opportunity of discussing the other recommendations contained in this report? Certainly the provinces made no recommendations similar to those found in section 332A; they made no recommendations in so far as the uniform rate structure is concerned, which is found in this bill. Where did that come from? Did that come out of the sky? It came from the study given to the problem by the members of the royal commission, and the advice and assistance they got from the experts. The same thing can be said about the one and one-third rule.

I believe that if hon. members will read the chapter dealing with transcontinental rates they will find a clear explanation of the reason a great injustice would ensue if the province of Alberta and a portion of Saskatchewan were not given the benefit of this one and one-third rule. The report goes on to say that no great hardship, if any at all, will ensue to the province of British Columbia. I could quote that chapter at length, but I shall not do that. If hon. members will read the conclusions at the bottom of page 99 of the royal commission report, together with the five or six paragraphs to be found on page 100, they will find what the commission recommended in so far as the one and one-third rule is concerned.

Then my hon. friends suggest we should amend section 331 in order to give the board authority to deal with the one and one-third rule. But that would not meet the position in Alberta. Alberta is faced with section 314, subsection 5, of the Railway Act which, because of the competitive transcontinental rate to the coast, puts that province in an unfair discriminatory position. The way to remedy that is not by amending section 331, but by a new section in the bill. If I were to accept the suggestion made by the hon. member it would interfere with the right of the railways to establish competitive rates. After all, the competitive rate is one which the railways file with the board of transport commissioners. If an amendment were made to section 331 it would interfere with a right which they already have. All through their report the royal commission say there should be no interference with the competitive rate position of the railways.

I have been much longer than I intended to be. I hope I have not been unfair to my hon. friend. I have tried not to be.

Mr. Green: A great many more hon. members feel as I do.

Mr. Chevrier: That may be.

Mr. Green: Including some on that side of the house.

Mr. Chevrier: I directed my remarks to the hon. member principally because he carried on the debate in the committee. In so far as the hon. members on this side of the house are concerned, they have made their position quite clear. With reference to the hon. members for the Kootenays, it is my view—it is only a personal opinion—that they are not hurt but rather are helped by this one and one-third rule. However, I may be wrong in that. I conclude by saying that I believe the case for the province of British Columbia has been overstated. I do not believe the position will be nearly as serious as suggested by the hon. member for Vancouver-Quadra. In any event my feeling is, as the royal commission says in its report, that because of steamship competition which exists and the railway competition from the United States side of the border, the railways will not withdraw the transcontinental rate as some expect. I believe this bill is a good one. I believe this section is a good one, because in the national interest I am sure even my hon. friend would not want to deprive a large region of this country of an advantage gained under this bill, which would not come to that region were it not for the one and one-third rule. In effect I am saying that I cannot accept the suggestion of my hon. friend. I say it regretfully, and I say it respectfully. I believe it is a good bill, and I hope it will be possible for us to get on with it now.

Mr. Churchill: I should like to ask the minister if he would care to comment upon Manitoba's position with regard to industry, particularly steel. Is he leaving us with the assumption that Manitoba's argument is unanswerable?

Mr. Chevrier: On that point, Mr. Chairman, all I can say is what I have already indicated in my earlier remarks, and what I said in the committee. When I asked counsel for Manitoba whether or not he would be willing to accept this bill as it was or have no bill with section 332B and go before the board of transport commissioners in the same position he was in earlier, he replied he would much rather have this bill.

Mr. Green: That is like asking whether you have stopped beating your wife.

Mr. Chevrier: That is the best answer I can give.

Mr. Knowles: In connection with the situation in Manitoba, I should like to repeat a question that I put earlier today. Before I do so may I say again that I believe, in the national interest, this bill is a good bill and I support it. In fact I go further and say I support the one and one-third rule. One of the purposes of that one and one-third rule is to do what is suggested on page 100 of the royal commission report, namely, eliminate to a substantial degree some of the anomalies that have been created. But if the application of that rule creates a new anomaly of the kind I cited this afternoon in quoting from the Manitoba brief, are not we from Winnipeg justified in asking the minister if there is not some way in which that new anomaly can be solved? In particular, I should like to know whether it would be possible, under the provisions of this bill, for the board of transport commissioners to consider in-transit rates for steel and iron products moving through Winnipeg?

Mr. Chevrier: The answer to that, Mr. Chairman, is that the commission dealt with in-transit or stop-off rates in a special chapter, and came to the conclusion that it would not begin to answer the problems of Alberta and Saskatchewan. They recommended against it. If my hon. friend will look at page 113 of the commission's report, he will find a chapter or a section of a chapter dealing with stop-off privileges. The conclusion reached by the royal commission is as follows:

> The reasons for the establishment of stop-off (or in-transit) privileges are stated above, and it must be borne in mind that these privileges are concessions made by the railways.
>
> To carry out the proposal suggested by Alberta would lead to the introduction of claims for further stop-off privileges on the grounds of analogy to existing cases and in turn to reductions of revenue to the railways. It is presumed that the railways are competent to determine what stop-off privileges are in their interests and it would be dangerous to permit the board to compel them to act against their interests and to commit them to indefinite losses.

Mr. Knowles: I do not wish to prolong this discussion indefinitely, but after all those of us who were not on the committee are at a bit of a disadvantage in comparison with those who were. It seems to me, however, that what the royal commission was saying on that point was that an extension of the stop-off privilege or the in-transit rate would not be as happy a solution to the problem facing Alberta and Saskatchewan as would be something like the one and one-third rule; and I agree. My point is that the one and one-third rule—which has been brought in to solve the problem for Alberta and Saskatchewan, and which has been brought in in the national interest—good and all as it is, has created this new anomaly. I do not feel that the answer given to the Alberta case should be regarded as ruling out the possibility of considering it for Manitoba, particularly in respect of the steel industry.

Section 7—section 332B—agreed to.

Sections 8 to 17 inclusive agreed to.

On section 18—*Payments to railway companies for cost of maintenance.*

Mr. Green: Will the minister explain the amendment to section 18, and tell us just how this section will be applied?

Mr. Chevrier: Section 18 is the subsidy section having to do with the payment of $7 million to both railways. By virtue of subsection 1 (a) the Canadian Pacific Railway Company is to receive the full annual cost of maintaining 552 miles of trackage, subject to subsection 4, if the total cost for both railways exceeds $7 million. By virtue of subsection 1 (b) the Canadian National Railway is to receive the full annual cost of maintaining 552 miles of trackage out of the total trackage involved of 985 miles, subject also to the provisions of subsection 4. By virtue of subsection 2 the board of transport commissioners is to determine what actual trackage is to be used, which would mean that it would fix the actual trackage to be included, such as the main track, the passing track, the siding, the yards and the like. The board is also to determine, by virtue of this section the annual cost to each for the trackage so determined and for inclusion in the scope of the payment.

These payments should be for the purpose of reducing to that extent the freight rates applying between eastern and western Canada, and the amendment which has been added indicates how the board is to proceed. The total amount payable shall be applied to a reduction of the relative level of rates applying on freight traffic moving in both directions between points in eastern Canada and points in western Canada over the trackage to which the payment relates, in such manner as the board may allow or direct. In effect the board of transport commissioners, which is the body dealing with these rates, will determine the coverage as to tracks applying to both railways, and will also determine the manner in which this $7 million shall be apportioned.

Mr. Argue: The $7 million provision in this section should result in some benefits to the people of the prairies and to the long haul shippers. It has been stated over and over again that the provinces of Ontario and Quebec have certain natural advantages in the way of truck and water competition which result in low competitive rates for the people in this area: The long haul shipper, even though the rates may be equalized, needs something more; and that something more, as suggested by the royal commission, is this $7 million to pay the cost of maintenance of the trackage over the railway bridge between east and west.

We should bear in mind first of all the fact that this amount is only $7 million; and unless the $7 million is guarded carefully this provision may not result—if certain other things are done—in any benefit whatsoever to western Canada. Up until now freight rates have been set on the basis of using the financial position of the Canadian Pacific Railway as a yardstick. One of the important items in that C.P.R. yardstick was that freight rates should be of such an order as to provide the C.P.R. with a surplus of $15 million. I note that at the present time there is a move on foot by the C.P.R. to get the $15 million surplus in the C.P.R. formula increased to a figure of between $27 million and $29 million. If the C.P.R. can get the formula changed so that in future freight rates are set so as to give it a surplus of $29 million instead of a surplus of $15 million, there will have to be an increase in freight rates to the extent of $52 million; and on the basis of estimates made in the past the total cost of changing the C.P.R. surplus from $15 million to $29 million would amount to some $30 million for freight users in western Canada.

All I am saying is this. If, a few days after we are given the $7 million to maintain the trackage over that bridge, we are called upon to pay another $30 million in freight rates in order to provide more money to the C.P.R., it would have been better for the government to keep the $7 million and not spend it, and not to have made this provision in the bill, if at the same time the government would prevent this proposed change in the C.P.R. formula. I want the $7 million, but I want it to be effective in bringing down the rates for the freight users in western Canada. It will not be effective if, after the government provides the $7 million, a change is granted by the board of transport commissioners in the C.P.R. formula on which freight rates are based, in order to provide the C.P.R. with more money at a cost of $30 million to the freight users in western Canada.

We want equalized freight rates; but the advantages of equalized freight rates will be small indeed if they are increased by the suggested new formula. I do not know whether the minister is prepared to comment on the argument I have made. But I can say to him that I hope, I trust, the government will see to it that the Canadian Pacific formula is not changed, because that would result in taking away all the benefits of the $7 million, and impose an additional burden on western Canada.

Section agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Mr. Green: Next sitting.

CANADIAN NATIONAL-CANADIAN PACIFIC ACT

REPORT TO PARLIAMENT TO GIVE INFORMATION CONCERNING CO-OPERATIVE PROJECTS

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider Bill No. 6, to amend the Canadian National-Canadian Pacific Act, 1933.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

On section 1—*Contents of report to parliament.*

Mr. Macdonnell (Greenwood): Mr. Chairman, at the resolution stage, before the bill was sent to committee, it was pointed out that it was of a simple nature. The committee evidently regarded it as such, because they passed it without discussion. However, could the minister make some brief comments as to the subject matter of the bill which, when the legislation was originally introduced in 1932, was considered very important. Those were bleak days so far as railway traffic was concerned. Perhaps the minister would make some brief comments as to the extent to which co-operation does exist today. We all know there are such things as pool trains, but there may be some other trains with which we are not familiar.

Mr. Chevrier: Mr. Chairman, I would be glad to do that. One of the complaints made by the provinces when they presented their brief to the government was that the Canadian National-Canadian Pacific Act, which was passed to ensure greater co-operation between the railways, was not effective.

The complaint was that there were a number of instances where, in the minds of the provinces, there should have been co-operation but such co-operation had not followed. In the light of that complaint by the provinces the government decided to include a reference in the terms of the royal commission as to whether or not there had been the desired co-operation between the two railways. The royal commission deals with the subject matter in a rather comprehensive chapter, which is chapter 8 of the report.

In that part of the report, which I am sure my hon. friend has read, the commission recommends the changes now found in this bill. It came to the conclusion that perhaps it would be a good thing if there were placed in the anuual report of the Canadian National Railways certain requirements which the railways would have to give to the committee on railways and shipping, and which that committee would be in a position to study and to investigate. It could then be decided whether or not there was the desired degree of co-operation and, too, it could be ascertained whether in certain cases there could not be a greater degree of co-operation. I think the manner in which the royal commission has recommended the amendments to the act is good, because it gives parliament a chance to learn whether or not co-operation really exists.

That, I believe, is the effect of Bill No. 6.

Mr. Macdonnell (Greenwood): How extensive are these instances of co-operation? Do they occur in every province? Those of us who live in Ottawa know such a condition exists in the service between Toronto and Montreal, and Toronto and Ottawa. Is that co-operation widespread throughout the dominion?

Mr. Chevrier: I can pick out of the air one or two instances. For instance, both railways operate the Northern Alberta railway. There is co-operation there. Both railways operate the Vancouver hotel. There is co-operation there. There is some co-operation, too, in certain parts of the maritimes in respect of some of the lines running into those provinces. Then my hon. friend knows of the co-operation between the two railways in their service from Montreal to Toronto, which has been going on for many years. It may be that it is desirable to extend this condition. In order to come to a sound conclusion one would have to hear what both railways have to say.

Mr. Macdonnell (Greenwood): Could the minister tell us of any case where co-operation has been discussed but no conclusion arrived at?

Mr. Chevrier: I do not know of any at the moment.

Mr. McLure: May I ask the minister if, when the railway committee meets, it will have the report before it. In other years the report of the Canadian National Railways has been presented two or three days before the meeting of the committee, with the result that there has been insufficient time to look into the affairs of the company. Then may I ask if we will have separate divisional reports? For instance I should like to know whether the Prince Edward Island division is operating at a profit or otherwise. It would seem that under section 14A some changes are to be made. Why not at the same time give us a break-down of what each division is actually earning?

Mr. Chevrier: The report of the Canadian National Railways will be in the same form

in which it has always been. While the information my hon. friend wishes to have is not in the report, it is always obtainable from the railway officers.

Mr. McLure: It is difficult to get that information from any of the officers of the Canadian National Railways. I have tried for the last three or four years to get some idea along this line, but I have not been able to.

Mr. Chevrier: What I should have said is that the information, in so far as the Atlantic region is concerned, is obtainable. It may not be divided as between Prince Edward Island, Newfoundland, New Brunswick and Nova Scotia; but the information for the Atlantic region has been given from year to year.

Mr. Macdonnell (Greenwood): In section 14A(e), after referring to co-operative projects being studied by the National company and the Pacific company, and such other information as appears to the directors necessary, we find these words: "or as may be required from time to time by the governor in council." Are those words put in merely as a sort of protection or do they indicate some definite project of inquiry by the government?

Mr. Chevrier: They do not indicate any definite project of inquiry at this time but there may well be some instance in the future when it will be necessary to ask the co-operation of the railroads.

Mr. Knowles: On what basis is the revenue divided in the case of pool trains operated by the Canadian National and Canadian Pacific?

Mr. Chevrier: I am afraid I am not prepared to answer that question on this bill. That is a question which the directors of the railroads and their officials would be competent to answer when before the committee.

Section agreed to.

Bill reported, read the third time and passed.

MARITIME FREIGHT RATES ACT

AMENDMENT AS TO APPLICATION OF WESTBOUND RAIL AND LAKE TRAFFIC

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee on Bill No. 7, to amend the Maritime Freight Rates Act.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

On section 1—*Westbound rail and lake traffic.*

Mr. McLure: I suppose the minister will be making a full statement on this bill?

Mr. Chevrier: I shall try to make the statement as full as possible. This is simply an amendment to carry out the recommendations of the royal commission. It legalizes a practice which has existed over the years of giving the benefit of the 20 per cent preference not only to rail traffic moving in the direction referred to in the act but also to rail and lake and rail-lake-rail traffic. For instance, it would cover movements to western Canada via the great lakes.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

TAX AGREEMENTS

CANADA-UNITED STATES—ADDITION OF PROTOCOL DEALING WITH EXCHANGE OF RATIFICATIONS, ETC.

Hon. J. J. McCann (Minister of National Revenue) moved the second reading of Bill No. 28, to amend an act to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

He said: Parliament recently approved the supplementary income tax convention with the United States of America which amended the income tax convention which had existed since March 4, 1942. The supplementary convention was approved by chapter 27 of the statutes of 1950. The protocol which has now been added to the supplementary convention accepts on the part of the government of Canada the reservation which was made by the government of the United States, on the advice of its Senate, to the effect that paragraph 2 of article VII of the original convention as amended by article I (d) of the supplementary convention should be deleted. Article VII reads:

1. A resident of Canada shall be exempt from United States income tax upon compensation for labour or personal services performed within the United States of America if he conforms to either of the following conditions:

(a) He is temporarily present within the United States of America for a period or periods not exceeding a total of one hundred and eighty-three days during the taxable year and such compensation (A) is received for labour or personal services performed as an employee of, or under contract with, a resident corporation or other entity of Canada and (B) does not exceed $5,000 in the aggregate during such taxable year; or (b) he is temporarily present in the United States of America for a period or periods not exceeding a total of ninety days during the taxable year and the compensation received for such services does not exceed $1,500 in the aggregate during such taxable year.

2. The provisions of paragraph 1 (a) of this article shall have no application to the professional earnings of such individuals as actors, artists, musicians and professional athletes.

The one hundred and eighty-three days referred to do not have to be consecutive. In its reservation to the ratification of the convention the government of the United States did not accept the provision which restricted the article dealing with compensation for personal services in the case of actors, artists, musicians and athletes. That is one point being dealt with in this amendment.

Article VII, which I have just quoted, provided that a resident of Canada would be exempt from United States tax upon compensation for personal or professional services performed within the United States if he was present therein for less than one hundred and eighty-three days during the year and met certain conditions as to the residence of his employer or the amount received for his personal services, which I have indicated would be less than $5,000.

An exemption with respect to the application of this provision was made with respect to the professional earnings of such individuals as actors, artists, musicians and professional athletes. The United States senate committee which examined the convention considered that this restriction embodied a discriminatory principle which the committee could not accept. This bill will confirm the government of Canada's acceptance of that same reservation and will remove the restriction relating to actors, artists, musicians and athletes. The result will be that actors, artists, musicians and athletes from one country receiving remuneration for services performed in the other country will be treated for income tax purposes in the same way as commercial travellers, professional men, and others. The provisions are reciprocal and apply to Canadians who receive remuneration for services performed in the United States and to United States residents who receive remuneration for services performed in Canada. If you will look at the bill you will see that the only words added to section 1 are "and protocol". The section will read:

> The convention and protocol entered into between Canada and the United States of America, set out in schedule A—

That is the schedule at the back of the bill.

> —is approved and declared to have the force of law in Canada, and shall be deemed to be included in and to form part of the convention and protocol set out in the schedule to the Canada-United States of America Tax Convention Act, 1943.

Mr. Macdonnell (Greenwood): I have nothing more to add until the bill goes to committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Beaudoin in the chair.

[Mr McCann.]

On section 1—*Convention and protocol approved.*

Mr. Macdonnell (Greenwood): I want to be clear as to what the minister said. Would he read again the part where he referred to the nature of the employment of the person? Was there a reference to being an employee of a Canadian corporation?

Mr. McCann: What I quoted from the statute?

Mr. Macdonnell (Greenwood): Yes.

Mr. McCann: It starts with article VI A which reads:

> "Pensions (including government pensions) and life annuities derived from within one of the contracting states by a resident of the other contracting state shall be exempt from taxation in the former state."
>
> (d) By amending article VII to read as follows:
>
> "1. A resident of Canada shall be exempt from United States tax upon compensation for personal (including professional) services performed during the taxable year within the United States of America if he is present therein for a period or periods not exceeding a total of 183 days during the taxable year and either of the following conditions is met . . ."

Then paragraph (b) reads:

> His compensation received for such personal services does not exceed $5,000.

Then it continues:

> The provisions . . . of this article shall have no application to the professional earnings of such individuals as actors, artists, musicians and professional athletes.

That was the original. The Senate of the United States objected to that, and if you will look at the protocol contained in the schedule to the bill you will see that it reads:

> As recited in the ratification on the part of the United States of America, the Senate of the United States of America, in its resolution of September 17, 1951, advising and consenting to the ratification of the supplementary convention aforesaid, expressed a certain reservation with respect thereto, as follows:
>
> "The government of the United States of America does not accept paragraph 2 of article VII, as amended by article I (d) of the supplementing convention, relating to professional earnings of individuals such as actors, artists, musicians and athletes."

They do not accept it and we have agreed not to accept it. That is what constitutes the protocol.

Mr. Macdonnell (Greenwood): I understand that, and I think that is clear, but I think the minister omitted reading subsection (a). Would he read that?

Mr. McCann: The first condition is:

> (a) His compensation is received for such personal services performed as an officer or employee of a resident or corporation or other entity of Canada . . .

We have nothing to do with that at all. They accept that part of it but the second part they do not accept.

Mr. Knowles: May I ask a question in order to get it clear? I understand that as the convention now stands the provisions of the section which the minister read a moment ago do not apply to actors, artists, musicians and athletes.

Mr. McCann: That is right.

Mr. Knowles: And that exception is being removed by this protocol and convention?

Mr. McCann: That is all there is to it.

Mr. Knowles: That means that from now on the article will apply to these people.

Mr. McCann: From here on these people will be taxable the same as anybody else.

Mr. Knowles: And previously—

Mr. McCann: They had an exemption under certain conditions, that they were earning less than $5,000 and that they were not in the other country more than one hundred and eighty-three days.

Section agreed to.

Section 2 agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

JUDGES ACT

INCREASE IN NUMBER OF COUNTY COURT JUDGES IN BRITISH COLUMBIA

Hon. Alphonse Fournier (for the Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, to increase the number of county court judges in British Columbia from fourteen to fifteen.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

Mr. Green: Will someone explain what this is all about?

Mr. Fournier (Hull): I am informed that the British Columbia government has requested this further appointment to the county court. It was investigated by the officials of the Department of Justice and they believe this extra appointment is needed for the good administration of justice in British Columbia.

Mr. Green: Can the minister say in which district this additional judge is to be appointed?

Mr. Fournier (Hull): That is in the bill, but if I am not mistaken it is New Westminster.

Mr. Green: There have been press reports to the effect that it would be in New Westminster, and if that is so—

Mr. Fournier (Hull): Perhaps I read it in the press myself.

Mr. Macdonnell (Greenwood): Bring the press in.

Mr. Green: I do not know how we would get along without the press. If that is the district, it is very timely that an additional judge should be appointed. There is a greatly increased amount of business going through that particular registry, and it is a very wise thing to provide for the appointment of an additional judge.

Mr. Fournier (Hull): I wish to express my appreciation to the hon. member. I believe it is in New Westminster. I thank him very much for the praise he has just given us on this appointment.

Mr. Knowles: It is clear, is it, that the bill does nothing else than provide for this increase in the number of judges?

Mr. Fournier (Hull): To the best of my knowledge that is right.

Resolution reported, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Garson) thereupon moved for leave to introduce Bill No. 29, to amend the Judges Act, 1946.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time?

Mr. Knowles: Next sitting.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): I move the adjournment of the house. Tomorrow we will take up third reading of Bill No. 12, to amend the Railway Act; third reading of Bill No. 24, to amend the Public Printing and Stationery Act. I understand that a copy of all information requested by the hon. member for Greenwood will be handed to him tomorrow morning or sometime before the house opens.

Mr. Knowles: I thought it was understood it would be laid on the table so other members could see it as well.

Mr. Fournier (Hull): If there is any objection—I am told there is an existing copy of all these details—it could be tabled tomorrow.

Mr. Macdonnell (Greenwood): The minister is quite a magician if that is the arrangement. I understood that the information was to be given to me on Monday morning, but if the minister has changed all that—

Mr. Fournier (Hull): I cannot recall exactly the date I mentioned, but during the week I was told they were preparing all this information and I was told tonight that they would have the copies in the morning and it would be laid on the table or handed to the hon. member. If there is any objection I will not call third reading tomorrow.

Mr. Macdonnell (Greenwood): I would be obliged if the minister would do that. The minister will recall that we let second reading go through on this understanding. There are so many committees tomorrow morning that I will not have time to see it if it is available.

Mr. Fournier (Hull): I will try to have the information tabled tomorrow morning and we will not have third reading tomorrow. We will postpone it.

Then we will take up Bill No. 27, to amend the Pension Act; then the bill based on the resolution which was just passed unanimously, increasing the number of county court judges in British Columbia. Following that we have two resolutions of the Minister of Justice to amend the Supreme Court Act to increase the salary of the registrar, and to amend the Exchequer Court Act to increase the maximum salary of the registrar. Then we have a resolution in the name of the Secretary of State to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners, and a further one to amend the Dominion Elections Act.

Motion agreed to and the house adjourned at 9.45 p.m.

HOUSE OF COMMONS

Friday, November 30, 1951

The house met at two o'clock.

ST. ANDREW'S DAY

PRESENTATION OF REPLICA OF STONE OF SCONE TO MEMBER FOR SELKIRK

Mr. Gordon Graydon (Peel): Mr. Speaker, I rise on a question of privilege. This is a day on which we observe a most happy occasion, the anniversary of St. Andrew's day, the patron saint of Scotland. We are thus enabled at the same time to pay tribute to those of Scottish birth and extraction who have contributed so greatly to making Canada the fine nation she is. I have pleasure at this time in presenting to one of Canada's most prominent sons of Scotland and a great Canadian citizen, the hon. member for Selkirk (Mr. Bryce), a replica of the Stone of Scone.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure that all members of the house are happy to have had the hon. member for Peel express their sentiments to the hon. member for Selkirk and other distinguished Canadians of Scottish birth, not forgetting yourself.

Mr. William Bryce (Selkirk): Mr. Speaker, having been a good Canadian for thirty-two years I do not see why the hon. member for Peel has singled me out for this honour, but I assure you that I am delighted to have had it. I hope none of these Scotland Yard fellows get after me. If I refused at this time to take something for nothing I would be going against the best traditions of the race to which I belong.

KOREA

CEASE-FIRE ORDERS—REQUEST FOR CLARIFICATION

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the Prime Minister if he is now in a position to clear up the confusion which has been in the public mind with respect to the cease-fire orders which were alleged to have been issued in Korea? I am quite sure the house will be very glad to have any statement he can make.

Right Hon. L. S. St. Laurent (Prime Minister): I am not sure that the statement I have here will clear up the confusion but I have from our embassy in Washington the text of the statement made by General Van Fleet at the United States 8th army headquarters about this matter. It is in the following terms:

> An incomplete digest of military directive has led to unfounded speculation regarding a cease-fire in Korea. Eighth army headquarters released a statement 28 November, 1951, wherein it was explicitly stated there is no cease-fire order in Korea. I don't know how I can be more emphatic on this matter than by reiterating this statement. Amplifying the original statement, I can say that certain military instructions were disseminated from this headquarters to corps and division levels. War correspondents' reports indicate that when these instructions were passed down to some lower command elements there was a distortion of meaning in the text of these instructions. Action is being taken to clarify these instructions for those officers and enlisted men who misinterpreted the directive. I am not at liberty to disclose the contents of the instructions which are related to future operations of the 8th army. I can definitely say, however, there is no mention made in the text ordering a cease-fire in Korea.
>
> James A. Van Fleet, General, U.S.A.

ROYAL CANADIAN NAVY

"JOSEPH C. CYR"—DEPORTATION TO THE UNITED STATES

On the orders of the day:

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): I should like to refer to the question asked by the hon. member for Vancouver-Quadra concerning former Surgeon Lieutenant Joseph C. Cyr. Ferdinand Waldo Demara entered the Royal Canadian Navy as a surgeon lieutenant under the name of Joseph C. Cyr, and as Joseph C. Cyr he was checked up to the maximum required for a lieutenant in the medical branch of the service. In addition, his credentials were authentic, and his general bearing and personality sufficient to merit the recommendation from the senior officers who convened to approve his appointment.

As Surgeon Lieutenant Joseph C. Cyr this officer conducted himself in all respects as a gentleman and officer, and at one period of his career he performed successfully duties over and above the normal requirements. Information is not to hand whether or not Ferdinand Waldo Demara is a qualified doctor. He has, however, been questioned extensively by others in the medical profession whose reports led us to believe that he had had all the necessary experience and

knowledge which a doctor would be required to have. This theoretical assumption is also borne out in practice.

His entry in the Royal Canadian Navy conformed with all the conditions of entry which were required on March 13, 1951. As the result of the allegations by the real Dr. Cyr, a check was made on "Joseph C. Cyr" who was appointed as surgeon lieutenant to H.M.C.S. *Cayuga*. This check was along the lines of a check which would be conducted on any officer for a higher classification than normal. The real identity has been established by a complete liaison with all civil authorities, and it has now been definitely ascertained that former Surgeon Lieutenant Joseph C. Cyr is in reality Ferdinand Waldo Demara, a citizen of the United States. As Ferdinand Waldo Demara he has been discharged on the 21st November, 1951, under the charge of misconduct—fraudulent entry. The Canadian immigration authorities have returned him to the United States.

Mr. McCusker: I object to this statement. It is an insult to the medical profession. The doctors who examined this man and admitted him to the service should be examined themselves.

Mr. Green: May I ask the parliamentary assistant whether there has been any change in the method by which doctors are now taken into the navy?

Mr. Blanchette: The matter of any change is being looked into.

Mr. Graydon: May I ask my hon. friend if any certificates are required when a medical man enters the service of the navy?

Mr. Blanchette: He had Joseph C. Cyr's medical certificates, not his own.

PUBLIC PRINTING AND STATIONERY ACT

AMOUNTS OWING BY VARIOUS DEPARTMENTS TO KING'S PRINTER—NET DEBIT BALANCE

On the orders of the day:

Hon. F. G. Bradley (Secretary of State): I should like to lay on the table of the house the break-down of the information concerning the amounts owed by the various departments to the king's printer as well as the net debit balance in the treasury office against the king's printer, as requested by the hon. member for Greenwood.

[Mr. Blanchette.]

PUBLIC WORKS

RUSTICO, P. E. I.—STORM AND FLOOD DAMAGE TO BREAKWATER AND HOMES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to direct a question to the Minister of Public Works. I only received word about this matter a few moments ago and was unable to send him any information concerning it. Has the minister been advised about the storm and flood damage to the government breakwater and fishermen's homes at Rustico, Prince Edward Island? If not, I would be pleased to give him the information I have received.

Hon. Alphonse Fournier (Minister of Public Works): I am grateful to the hon. member for giving me the information. Up till now I had not heard about this storm.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO RECOMMENDATION FOR INCREASE IN BASIC PENSION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Transport in connection with the recent meeting of the general chairmen and the vice-presidents of the Canadian National Railways in a committee to review the Canadian National Railways pension plan. I should like to ask whether or not any recommendation has been made as a result of the meeting of that committee, to increase the basic pension of $25 a month for railway employees.

Hon. Lionel Chevrier (Minister of Transport): I wonder if the hon. member would allow me to take that as notice. Perhaps I could bring in a reply early next week.

RAILWAY ACT

IMPLEMENTING CERTAIN RECOMMENDATIONS OF ROYAL COMMISSION ON TRANSPORTATION—MAINTENANCE OF TRACKAGE

Hon. Lionel Chevrier (Minister of Transport) moved the third reading of Bill No. 12, to amend the Railway Act.

Motion agreed to and bill read the third time and passed.

PENSION ACT

PROVISION FOR INCREASES IN RATES OF PENSION FOR DISABILITY AND FOR DEATH

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved the second reading of Bill No. 27, to amend the Pension Act.

Mr. Brooks: Is the minister going to make any further statement at this time?

Mr. Lapointe: No; it is not my intention to do so. I will give explanations in committee if my hon. friend wishes them.

Mr. A. J. Brooks (Royal): I should like to make a few remarks. Bill 27 is a short bill consisting of two sections. Of course the important part is the schedule. I think there is general approval among all members of the main principles of the measure. We took one objection the other day with reference to the date. I am sure we would have liked to have the payments made retroactive. However, we realize that an amendment to that effect cannot be submitted as it would mean an expenditure of money, and naturally would be declared out of order. There is also the question of pensioners receiving a pension under section 21 of the act. Under section 21 a compassionate pension is paid under certain conditions. I do not think this section is too widely known, and I think that I might read it.

Section 21 (1) of the Pension Act is as follows:

> The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious, but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this act.

And then subsection 2 dealing with amount says:

> The amount of any compassionate pension, allowance or supplementary award granted under this section shall be such sum as the commission shall fix, but not exceeding the amount to which the applicant would have been entitled if his entire claim to payment had been upheld.

Our contention is that pensioners receiving pensions under that section should not receive the same consideration as those who come under the general Pension Act. We realize, of course, that the pension to which I am referring is granted by the authority of the commission. However, my understanding is that when in 1948 there was an increase in the pension we had an assurance from the then minister that these people would receive the same treatment as other pensioners. When the minister discusses the matter I would ask if we might not receive the same assurance from him.

In addition to this group, there is another that I feel should receive consideration. I refer to dependent parents. I believe they receive their pensions through the commission, under section 33 (2) of the act. I would ask the minister also to consider these dependent pensioners, and we would ask comment from him as to whether assurance cannot be given to them as well.

With reference to those receiving pensions under section 21 I would point out that those pensions are received on account of specially meritorious service. Their cases are usually reviewed with great care. It is found that they are soldiers who have given special service in the field of battle. Anyone who has been connected with pensions must know that, while possibly 90 or 95 per cent of our pensioners are undoubtedly deserving of their pensions, owing to the fact that, particularly in the first war, many got into the army although they were medically unfit, some became more or less of a burden on the army from the time they entered until they were discharged. I know of these cases, many of whom received not only a part but a full pension. If they are to receive this increase in pension, then it does seem to me that every consideration should be given to the man who has rendered meritorious service.

I would refer also to the case of the small pensioner who receives an allowance. I feel that the increase in the pension to the pensioner who receives an allowance should not be considered as income. In 1948, when an increase in pension was given to our veterans, this increased pension was not considered as income. Section 18 (3) of the amendment to the Pension Act in 1948 states:

> An increase in pension paid to any person by virtue of this section in respect of any period prior to the day on which this act receives royal assent shall not be included (a) as income for the purposes of the War Veterans Allowance Act, 1946.

If that section was put in the amendment in 1948, then I see no reason why the increase in pensions at this time should be considered as income. I say the same consideration should be given now as was given the war veterans in 1948.

Mr. P. E. Wright (Melfort): Mr. Speaker, I should like to say a few words before the bill passes. All hon. members are pleased to have had this measure introduced at the present session.

I should like to pay a compliment to the veterans organizations in Canada, including the Canadian Legion, who presented their case so well to the public, to members of the House of Commons and to the government. I am sure it is largely because of the very able way in which they presented their case that we have this legislation at the present session, and in the form in which we now see it.

Those veterans organizations did an excellent job for the returned men. As a returned man, I am sure other returned men in the house will join with me when I say that every returned man should belong to a veterans organization. They have demonstrated that they can do a good job in presenting the case for their members. They have done so in this case, and I believe returned men should give those organizations their wholehearted support, by joining them and assisting in future presentations to be made on behalf of all veterans.

In 1948, at the time of the last increase in the pension, hon. members from this group thought that the pension payments should be attached to the cost of living index. We felt that when price controls in Canada were taken off we would have an increase in the cost of living index, and that veterans pensions should be governed by that increase. As a matter of fact in the veterans committee of that time we moved an amendment which, in effect, would have given one dollar of increase per month for each point of rise in the cost of living index. That amendment went to a vote, and that amendment was defeated by the deciding vote of the chairman of that committee. Had the amendment been accepted the veteran would have been in an even better position today than he will find himself with the increased pension set out in the present measure.

However, all hon. members are pleased to note the introduction of this measure. It has not gone as far as some of us would have liked. The hon. member for Royal (Mr. Brooks) referred to two groups, those receiving compassionate pensions, and the dependents of deceased veterans. With the hon. member for Royal, I feel the minister should give us a statement as to what is going to take place with regard to the pensioners in these groups.

We have the assurance of the government that at the next session of parliament war veterans allowances will be considered, that the case of those receiving war veterans allowances will be placed before a veterans committee, and that they will be given the same sympathetic consideration as was given to the pensioners affected by this measure. We hope the government will announce either that these groups will be taken care of at this session, or at least that their case will be presented to the war veterans committee at the next session.

There is also the matter of further increases in children's allowances. There is a very small increase in the present measure. Some will argue that because of the general payment of children's allowances in Canada, it was not necessary to increase the children's allowance under the present legislation. However, I would point out that in many cases, especially where the soldier did not return to Canada or where he has returned to Canada and is in hospital under treatment or is incapacitated, he is not in the same position to take care of his children as are some of us who were more fortunate. I think that the government should be liberal especially in their dealing with the children of war veterans. I have felt for a long time that that is one thing we have failed in with respect to our veterans legislation namely in making better educational provision for war veterans' children.

Mr. Lapointe: It is better than that anywhere else in the world.

Mr. Wright: The minister says that it is better than that anywhere else in the world. That may be so, but still I do not think it is as good as we could make it here in Canada. If there is one thing we should do, it is to see that every child of every veteran has the opportunity to receive in this country the maximum of education that he is able to use. We have a good educational system in this country, and I think that the opportunity for education should be given to the children of our veterans just as fully as it is possible for us to give it.

I should like to compliment the government on bringing in the legislation at this session. As I said before, I think the credit for its being brought in can largely be given to the war veterans organizations who so ably presented their case to the government on this matter.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I shall be brief, but in order to keep the record clear, I should like to express one or two thoughts in this connection. I want to commend, in part at least, the fair manner in which the members of the opposition have brought the matter forward. I do not think that the bill, as it has been brought down at this session, goes as far as it should. But on the other hand, along with the hon. member who has just spoken and other hon. members opposite, I believe that the government, through the present minister, have gone a long way toward bringing about that which we in the veterans affairs committee wanted to be brought about on behalf of the veterans. Personally, I think that the War Veterans Allowance Act could be amended at this session with little difficulty. I believe that the compassionate pension could be amended with little difficulty this session. But on the other hand, Mr. Speaker, through you I should like to suggest to these hon. members that half a loaf is better than

none. We have succeeded fairly well so far. I believe that at the next session we shall succeed in securing—

Mr. Brooks: We consider it as more than half a loaf.

Mr. Cruickshank: Yes, we consider it as more than half a loaf, as the hon. member for Royal (Mr. Brooks) has pointed out. Not being one of those who want to claim credit for anything, I will just say that I assisted in getting two-thirds of the loaf on behalf of the veteran.

Mr. Brooks: The hon. member is exceedingly modest.

Mr. Cruickshank: But through you, Mr. Speaker, I would say that the government have announced their policy. We voted on it. An amendment was moved by the hon. member for Acadia (Mr. Quelch). Before I came back here to Ottawa I expressed my views to my branches of the Legion and to the organizations within my branch, and I was supported throughout, unless it was a straight vote of confidence. I believe that the government have intimated, through the statement of the minister, that at the first of the next session we will have a committee set up. That is a matter of record.

It has also been intimated, as I understand it, that the war veterans allowance revisions, whatever they may be, will be made retroactive to January 1. If the hon. member for Royal will check up on the matter as recorded in *Hansard,* I think he will find that I was the first one to suggest that as to any exemption from income tax or otherwise of $1,000 on any income, the recipient of war veterans allowance should be treated in exactly the same manner as is the recipient of income of any other kind. If the hon. member will check the record, I think he will find that that is what I said. I think he will also find that the Minister of Finance (Mr. Abbott), if he did not commit himself—although I think he did and I hope he did—at least intimated that he saw the matter in the same light, namely that a war veterans allowance recipient—and I think that was the argument the hon. member was bringing out a moment ago—should be treated in exactly the same way as any other income recipient. In order to expedite the matter, I personally am willing to give all credit even to the hon. member whom I think the most of in this house, with the exception of myself, namely the hon. member for Peel (Mr. Graydon) or to anybody for getting the legislation, as long as we get it on behalf of the veteran. Let us pass the bill as it is and get on with our legislation. I still believe that the government should bring down, during this session, legislation affecting recipients of the war veterans allowance. Mr. Speaker, through you I appeal to my good friend the hon. member for Royal and all the other hon. members. Let us try to do something for the veterans without trying in this connection—and I will try some other time—to do something for ourselves, and let us bring down this act immediately.

Mr. Brooks: I think the hon. member might explain his last statement. I do not know what he means by "doing something for ourselves". I certainly have not tried to do anything for myself, and I am sure the hon. member does not mean to imply that.

Mr. Cruickshank: Mr. Speaker, on previous occasions I think I made myself clear as to the respect and admiration I have for the work the hon. member for Royal has done on behalf of the veterans. I think I showed my consideration in voting for a certain amendment moved by him. I think the hon. member will agree with that statement. Let him be just as fair with me.

Mr. Brooks: I am not criticizing the hon. member at all. I just do not want any misunderstanding about what he means.

Mr. Cruickshank: I say to the hon. member: Just be as fair to me. I now suggest that, as far as veterans are concerned, all of us forget partisan politics and put this bill through as is.

Mr. Brooks: Mr. Speaker, I want to object to that last statement. If the hon. member is implying that I have introduced partisan politics into this debate, I think he should withdraw that statement because I have never, in any of my remarks, introduced or tried to introduce partisan politics. I am sure that the hon. member does not mean that, or else that he is grossly mistaken about it.

Mr. Cruickshank: I have not the time to look up *Hansard* now but, if I remember correctly, the other day the hon. member for Royal implied that the members of the veterans affairs committee on this side of the house were not in favour of bringing down the increase across the board at the last session. I have not the time in which to verify myself through *Hansard,* but I think he modified his statement by saying "with the exception of the hon. member for Fraser Valley." If he will check up on the matter, I think he will find that at that time I stated that at no time had I ever been instructed how to vote, and nobody is going to instruct me in this house.

Mr. Brooks: It was never suggested.

Mr. Cruickshank: I have never been asked or instructed to vote otherwise than according to my convictions. If the hon. member wanted to be fair in speaking about partisan politics, he should recall that I pointed out that I, at least, used my own judgment and I presumed other hon. members did too. I do appeal to the hon. member for Royal to let us forget partisan politics in so far as veterans affairs are concerned. I am not accusing him, either now or at any time, of adopting partisan politics. I am merely suggesting that we all, including myself, forget partisan politics and put this bill through in the next two minutes.

Mr. Robert Fair (Battle River): The hon. member who has just spoken has already made three speeches, yet he wants to have this bill put through in the next two minutes; that would not be fair. As the only member in the house who can be Fair to everybody, I want to say a few words. Bill No. 27 is one piece of legislation which need not take up much time of the house. I have personally expressed my gratitude to the Minister of Veterans Affairs (Mr. Lapointe), but I want to take advantage of this occasion to express my appreciation to the minister and the government for introducing this bill. When the speech from the throne was read, many of us did not expect this legislation would be introduced this session. I am glad that the veterans organizations, as well as the veterans in this house, have been insistent enough in their demands to have the government bring down this legislation. I feel that they realize this legislation was necessary, and I hope that before the end of the session another piece of legislation which many of us have advocated on other occasions will also be brought down. I am not mentioning any names, but the minister knows quite well to what I am referring. Then he will make the members of the house, and those to whom I refer, very happy at Christmas.

As I have stated on former occasions, we shall have many cold, stormy days before the committee which has been promised us for next session will have an opportunity of dealing with this matter. The question of dependent parents has been raised, and I do not see any provision in the legislation for dealing with that. Before this bill is finally passed I should like to have the minister introduce something which would take care of those people. In many cases, these servicemen have been the sole means of keeping their parents on a decent standard of living. Since they have given everything on the battlefield, I feel it is our duty now to see that their parents are properly cared for.

If there are in the act any weak spots which prevent the pension commission from doing the job as they would like to do it, I would suggest that those weak spots be remedied. Personally, I cannot pick out those weak spots now, but if they should show up then I hope no time will be lost in having those deficiencies repaired, so that the pension commission can give justice to those people in Canada who are entitled to it. Once again I shall ask the Minister of Veterans Affairs to give consideration to that other little group about whom I have spoken.

Mr. George H. Hees (Broadview): I should like to associate myself with the remarks made by the hon. members for Royal (Mr. Brooks) and Melfort (Mr. Wright), both of whom spoke on behalf of the dependent mothers and fathers of those who were killed in battle. I believe that these dependent parents are faced with the same rise in the cost of living as disabled war veterans and war veterans widows. I believe that their case is just as deserving of consideration. I should like to appeal to the government to have the pensions of these dependent mothers and fathers increased by the same percentage as the other pensions dealt with in this bill.

On this occasion I should like also to appeal again on behalf of those who receive war veterans allowance. I believe that theirs is a very deserving case, and should be dealt with at this session. If it is not dealt with until the next session, I earnestly request the government to make sure that whatever is done for those pensioners is made retroactive to January. I hope that whatever is done for them will be as generous as the provisions contained in this bill.

Mr. Clarence Gillis (Cape Breton South): I am not going to repeat anything that has been said already concerning the principle of this bill. I have said about everything I can say, and I believe every other hon. member has too, when speaking on the amendment proposed by the hon. member for Acadia (Mr. Quelch). I should like to make two points in connection with the Pension Act itself.

The older members of the veterans affairs committee will recall that up to about 1942 the Pension Act contained a provision whereby it was necessary to go back into the family history of an applicant for pension to determine his eligibility. Often the pension was refused on the ground that the disability suffered was of congenital origin. Previous to entering the service, his grandfather had handed him this particular weakness. The question of congenital origin was a bone of contention over the years. About 1941 or 1942 when the act was opened to take in world

war II veterans, this provision was discussed at some length. It was decided then to remove from the act the provision concerning congenital disability.

While the wording of that particular formula was removed from the act, my impression is that the results of it are still being felt. Now instead of refusing a pension upon the ground that the disability was of congenital origin, it is termed a pre-enlistment disability. I think there is a large number of cases across this country where a man came back from the service and then broke down. Many of them are psychopathic cases. They are ruled ineligible for pension on the ground that the break-down was of pre-enlistment origin. I believe it is necessary for the commission and its advisers to sit down and take a serious look at that particular situation. We must remember, too, the figures that were put on the record of this house which show that 25 per cent of the men discharged from the service for medical reasons were those who were considered to have psychopathic disabilities—in other words, nervous break-downs. I do not think we are being fair when we refuse a pension to that type of case, and for this reason. If a boy is taken into the service he is examined by the medical men who attempt to discover, in so far as it is possible, whether or not that boy is fit for service. There are hundreds of men taken into military service who never should have been taken into the service. If they had not been taken into the service and subjected to the rigours of war they would have remained at home in civilian occupations and perhaps led a normal life. They were never constitutionally suited to engage in the kind of combat that one goes through today, such as Korea, Italy and other places where we have recently been engaged in a war.

I know that I receive many cases and many hon. members receive them as well. The point I want to make, for the benefit of the commission, is that I do not think a person who is affected by the decision that his disability is of pre-enlistment origin is getting the benefit of the doubt established by the act. I say that because much of the evidence I have read, where pension was refused, showed, in my judgment, that they were borderline cases. In some instances the summary of the evidence actually stated that the disability was of indefinite origin. There certainly was a doubt there, but in the few cases that I have read the benefit of the doubt was not given to the applicant.

I believe that a section of the commission at least should be set up to examine the number of cases of that type that exist, or that are in the process of having a decision made, or that have been refused, and to ascertain whether a more practical approach to the problem can be made. Whether a man is shot with a bullet or comes back with a nervous break-down, or has some other disability arising from a weakness that he may have had before being taken into the service, it must certainly be considered as a war disability, because if he had not gone in and been subjected to the type of thing he had to go through there is a possibility that that disability would never have appeared. I myself believe that in cases of that kind the examinations that the man received on going into the service were not adequate. If it can be ascertained after four years of service that a man had some weakness that brought on the disability because of his service, then it must have been known before he went in; otherwise some other decision would have been made.

Anyone who is watching enlistments today, and the large numbers that are being routed back out of the service after two or three months, can certainly form no other conclusion than that there is something wrong with the type of examination that the service personnel are getting when they go into the service today. The minister shakes his head. Well, I am going to give my own experience.

Mr. Lapointe: I did not shake my head. I said it was not the responsibility of veterans affairs, under which this bill comes.

Mr. Gillis: This bill has to do with disability pensions. I am talking about the establishment of a pension under this bill. I am talking about the boy who is taken into the service, and who is a potential pensioner. If he is not the kind of person, or if he has not a constitution that can stand up to service, but breaks down, then he should not have gone into the service. That is the root cause of a large number of cases that cannot be related to service. They break down for some other reason than being hit by a shell. You have to start at the root cause of that type of thing, and the root cause is taking into the service young men who have not the constitution to stand up to military service.

I said there was something wrong with the type of examination they were getting. We have been in this Korean thing only a short time, a year or so, but I am amazed at the large number of boys who come to me when I am home or write to me when I am here and say: "I was in the service for two or three months. When I went into the service I was declared fit, and I am out of the service now after two months, and I am declared medically unfit." That boy thinks he is entitled to a pension because if a doctor certified him fit three months ago, and another

doctor certified that he was unfit three months later, something must have happened to him, he thinks, in between.

Mr. Low: That is reasonable.

Mr. Gillis: Within the last year or so, there has been a lot of that, more than I have ever seen before.

The government has gone to a lot of expense. They take that boy, give him a medical examination, transport him across the country and put him in a camp. Then they have to go through all the mechanics of discharging him again, sending him back to his home, rehabilitating him and finding some employment for him. A lot of money has been spent to no end. If he is a little tougher and gets overseas and then comes back with a disability, it is said to be of pre-enlistment origin. We get a lot of difficulties in cases of that kind because we did not take care of the problem where we should have taken care of it.

Mr. Macdonnell (Greenwood): Do they ever hold a court of inquiry on the medical boards?

Mr. Gillis: I do not imagine so. I imagine that much of the difficulty today is in finding doctors who are willing to work for the money that is paid by the Department of National Defence. I have noticed items in the press where the Department of Veterans Affairs were bringing in doctors from the old country. I know that in my end of the country where enlistments are heavy, perhaps heavier than in any other part of the country, there is no regular medical board as such. The boys are gathered up in groups of twenty or thirty and taken to some ordinary practitioner, and he provides the medical examination.

I am saying all this for the benefit of the record, so that some of the experts in the minister's department will sit down, read it and give some attention to it, and later on try to iron out the difficulties that exist with respect to the question of pre-enlistment origin. We cut it out of the act either in the latter part of 1942 or early in 1942. We cut it out where the decision used to be made that the disability was of congenital origin.

The second point I want to make has to do with the question of administration. The benefit of all legislation is determined by the way it is administered. Over the years the Department of Veterans Affairs built up from coast to coast an excellent administrative organization. It took many years to build that up. I am speaking now of my own end of the country with which I am familiar. The veterans and the administration of veterans affairs had a very happy relationship, and in my opinion that is one thing that we should be very careful not to disturb. There was a fraternity built up there and mutual respect for one another. Within the last few months the department has changed its administrative set-up. In a district like Halifax, for example, you have the district administrator who was there for many many years and who knew practically all the veterans in his area personally and was familiar with all the branches through the secretaries. It was like a large happy family. The act of course determined the extent to which assistance could be given, but there was respect there; there was no questioning a decision made by a man like Tom Fenton, for example, of Camp Hill hospital. The boys knew, if they wanted something done and Tom Fenton said it could not be done, that was the end of it. Within recent months the department considered that it would be good economy to set up one administrative district for the whole of the maritimes, and we are going to superimpose on the district administration a super-administrator, and from now on that one man is going to have the authority and the responsibility of determining all matters of importance that have to do with the administration of veterans affairs generally. I do not think that is a good development. I think the decentralized administration as between province and province was the proper set-up. It brought the veteran closer to the man who made the major decisions.

When one man is administering Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick he is placed in a fairly dictatorial position and he is removed completely from personal contact with the men. It is changing an organization that has been in existence for twenty-five years and which established mutual respect as between man and man. This man is going to be looked upon as a super-dictator and the confidence built up over the years is going to be destroyed.

During the two months when I was home before this session opened I was met by representatives of about thirty branches who told me in no uncertain terms that they protested vigorously this administrative change. I am sure the minister has received many telegrams from the Legion in Nova Scotia protesting this change. After twenty-five or thirty years' experience in the Legion dealing with the Pension Act and other matters from the bottom, I agree that this particular move is wrong. This centralization removes the personal contact that existed. I do not think any money is going to be saved and it will create headaches that were not in existence in the past.

The change is made and I understand we are to have this type of administration across the country. The country is being broken up into these super-administrative districts. I am simply telling the minister what the representatives of the branches told me in no uncertain terms a couple of months ago when they called me in to hear the views of the rank and file of the Legion. That is all I have to say on the subject. I have made my opinion known with regard to these changes. We regret the fact that the War Veterans Allowance Act is not being amended at this session, but the house has voted on it and we bow to the will of the house.

The minister is a young fellow and I am simply trying to give him some grandfatherly advice from my own experience. I have no ulterior motive; I merely want to help him. I believe the provisions of the act with regard to borderline cases are too tight. There is no flexibility in the administration. If we are going to solve this problem of pre-enlistment disability we will have to do something more. If a disability is said to be pre-enlistment, it must have been known when the man came in and he should not have been taken.

These problems of administration can be handled by the minister from day to day. I can assure him that the administration that was in existence previously in Nova Scotia made everyone happy. There was not much fault found with it over the years. We must realize that there are no supermen, and the closer you can get to the people in administering any legislation the better your administration is going to be.

Another suggestion I would make is that some of the field workers be made permanent. I know that in the end of the country from which I come they are all on a temporary basis. They do not know whether their jobs are going to continue or where they can fit themselves into the organization. It might not be a bad idea to make some of them permanent; I think this would add strength to the administration.

Mr. Speaker: Before there is any further discussion on this bill I should like to remind the house that it deals with one aspect only of the Pension Act, namely the increase in the disability pension. It is a well-established rule of this house that when an amending bill is before the house the main act cannot be discussed. I have not called any hon. members to order, but I thought the house would like to know just what is the rule.

Mr. J. A. Ross (Souris): Mr. Speaker, I should like to join with others in congratulating the Canadian Legion, and national council and other organizations upon the splendid fight they have made on this matter. They made a splendid presentation in May, 1950, but there was nothing for veterans on the agenda at the beginning of this session. Something is being done as a result of the continued fight put up by these people and by members in various quarters of this house. I am sure all hon. members are happy to have this legislation before us at this time. While it does not meet entirely our wishes as to what should be done, it is a move in the right direction.

I should have liked to see the department go further than they have. Until you put us straight, I had intended to say something more. However, there is one point which I think hinges pretty closely on this matter. If a basic rate has not been established no increase will be paid. I feel keenly about a number of applications now before the commission, similar to those referred to by the hon. member for Cape Breton South (Mr. Gillis). Many young men who saw service in the last war now find themselves in a rather nervous condition. They were not wounded but in my opinion their condition was brought on by their service. I should like the commissioners to see their way clear to give the benefit of the doubt to these cases.

Another matter referred to is that of co-operation between departments. Lack of this co-operation is costing the country a considerable amount of money. Another matter I should like to refer to is that of dependent parents. These pensions are a matter of discretion on the part of the commissioners rather than of right. I should like to see something placed in the act to deal with this problem.

I did not speak on the amendment, but I must say that that is one case where we are very disappointed. However, we have been assured that this matter will be dealt with at the next session. There are many needy cases which could be taken care of under this other legislation. I just wanted to say these few words at this time and express the hope that the matter about which we are so disappointed will be taken up in the not too distant future.

Mr. W. G. Blair (Lanark): Mr. Speaker, I was interested in the remarks of the hon. member for Cape Breton South (Mr. Gillis) in regard to pre-enlistment disabilities. Before I deal further with that matter I want to say that I am glad and proud that this

increase is being made in disability pensions. I hope that in the future the war veterans allowances will also be increased.

It is quite easy to talk about pre-enlistment disabilities, but they are most difficult to deal with. I can remember when early in the first war men with certain types of disability were taken into the service. It is true that they were earmarked for forestry, labour or railroad troops, but nevertheless they were taken into the Canadian army. Sometimes their disabilities were marked down on their history sheets, and sometimes not, but the fact is that those disabilities did exist. We have these conditions among railroad troops. Sometimes men are transferred from active work in the infantry to one of the labour troops. Take, for instance, a man with a hernia or a man with a heart condition. Then trouble would start because these men were put into certain classifications and found themselves in the wrong position. It was ridiculous to send a man with a heart condition to the railroad troops where he would be working in the mud or lugging heavy ties. Aware of their condition, these people asked for pensions afterwards, and it made proper administration difficult. These men were always going sick. They realized they had disabilities, and when they came back it was a difficult problem to deal with such cases.

That brings me to the matter raised by the hon. member for Cape Breton South (Mr. Gillis). It is not very easy to find these disabilities once men have enlisted. Sometimes they break down under training and one becomes aware of the disability. I think these men have received good examinations. They have been properly examined by competent officers in the army. They have had their chests X-rayed and have passed certain standards, but you come to this point. Any person who has had any experience will know that sometimes you get a young chap who has been employed in a sedentary occupation. You may have some doubts and classify his general physique as being borderline. Nevertheless during the next few months when he is under training his physique will improve and he will develop under outdoor exercise, regular hours, and so on. Correspondingly, another man may break down. It is not very easy. It is easy to criticize the doctors who make the examinations but you do not know when a man is going to break down under training.

That brings up the question of those people who become psychoneurotic after they have been through a period of warfare. This is also a difficult matter because there is no standard whereby you can properly make a decision whether a man is temperamentally fit to be a soldier. You can be very easily deluded in the examination of such people. Therefore you have certain people breaking down under these conditions, and it becomes a difficult matter for pension administration. Sometimes I feel, as does the hon. member, that these people were taken into the army as physically fit to all intents and purposes, but deep down they were not temperamentally fit to become soldiers. They could not take a certain amount of what the soldier has to go through.

Having admitted that, the question then arises whether or not these people are pensionable. They did break down under warfare. Prior to enlistment they carried on in the world in a normal way. Some place in ensuing legislation we must go into that matter and make a proper decision as to what we are going to do with these people. They have a disability. I am reminded of one or two cases I have had in the last two or three months. I had one referred to me the other day, the case of a boy who enlisted perfectly fit and served for five and a half years. He missed nothing, but now he has had a nervous break-down. There is nothing on his history sheet, and I do not think he ever paraded sick, but just the same he is disabled. He has a wife and two children and he is in that position. I feel that Canada should look after that man because of his five and a half years' service.

I think of some of these borderline cases. I think of one case where a man was gassed in the first gas attack in 1915. He was sent to hospital and developed a heart condition from which he never recovered. His file is full of specialists' reports. He was never able to carry on and received about a 35 per cent pension which varied up and down. He was finally taken sick with his heart condition and was sent to the military hospital. His pension was for valvular disease of the heart but he proceeded to die from a coronary condition. I do not blame the pension board. At the present time coronary conditions are pensioned for aggravation. However, I felt that it was a case of splitting hairs, and again I do not blame the pension board. They could not do anything else. The man received his heart disability at the second battle of Ypres and he died of a heart disability. No person has yet told us fully in a medical sense the causes of coronary thrombosis, but yet this man died of it. His widow does not receive a pension.

As the hon. member for Cape Breton South has said, these are some of the things that we have to clean up. With respect to the case I have just mentioned, I feel that such a heart condition should be pensionable but under existing legislation the man can only receive a certain amount for aggravation.

However, he is dead, and as he was not a 50 per cent pensioner his wife receives nothing although she spent the best years of her life looking after this man when he was an invalid. Therefore we have to make a decision about such cases, and I agree with the hon. member for Cape Breton South that we might very well review some of these cases to see if we cannot in some way do something for them. They enlisted as fit men; at least there were no apparent disabilities. They carried on, in some cases throughout the war, have become markedly disabled, and in some instances have died. Therefore I feel that when the next veterans affairs committee is appointed we should review some of these cases.

Under the existing legislation there is nothing further we can do about them, but they are deserving cases. With regard to the young man who had five and a half years' service and now has a nervous break-down, I feel there cannot be any other answer but that it was due to his war service and is a war disability. There is nothing on his history sheet. He was absolutely fit when he enlisted. Again I should like to say that I think this is an excellent piece of legislation but we must not forget the war veterans allowance recipients—and I may be out of order in discussing this for a minute.

Mr. Speaker: I think the discussion recently has been a considerably long way from the bill. I am fearful if the house allows a general discussion to continue that it may be some time before we get to the principle of the bill, which deals with an increase in the pension. I am in the hands of the house. If the house, notwithstanding the rules, favours having a general discussion then I will abide by the wishes of the house, but otherwise I think the discussion should now be relevant to the bill.

Mr. Blair: I was going to say that the older group are also disabled and should receive consideration. I will put it that way. I had just about finished speaking, Mr. Speaker, when you rose.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I should like to make a few remarks with regard to three different questions having to do with this bill. In the first place, as has been mentioned by the hon. member for Royal (Mr. Brooks), there are certain pensions the amount of which is not definitely stipulated in the Pension Act. Discretion is given to the commission to pay whatever amount may be deemed proper. I have in mind, for example, the pension paid under section 21, and also the pensions payable to dependent parents. Section 21 reads as follows:

> The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious, but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this act.
>
> (2) The amount of any compassionate pension, allowance or supplementary award granted under this section shall be such sum as the commission shall fix, but not exceeding the amount to which the applicant would have been entitled if his entire claim to payment had been upheld.

That section has been used, for example, in the case of veterans who were decorated for bravery under fire. They have not been able to establish a claim for pension; but because they had this specially meritorious service they have been granted pension under section 21. It has also been used in the case of widows of veterans who had specially meritorious service. I know a pension was granted to the widow of my own company commander, under this particular section.

It has always been understood that the amount of the pension would be practically the same as a pension paid as of right. Even though there is this discretion given to the commission, I repeat, it has always been the understanding that these meritorious service pensions would be just as large, or just about as large, as pensions paid as of right. When we had a special committee on veterans affairs in 1948 this question was thoroughly aired. Some of us said to the minister and to the chairman of the Canadian pension commission, "What are you going to do about these pensions under section 21?" We were given the assurance that every file for a pension of that kind would be reviewed just as quickly as possible, and adjustments made in the amount of the pensions, so that these recipients would get the benefit of the increase being given to the pensioners who were paid under the schedule in the act.

Mr. Mutch: Was not the assurance that they would be reviewed so that that might be done? I do not think there was a commitment that they would be.

Mr. Green: I do not remember whether there was a definite commitment that in every case there would be an increase. But we did have the commitment that the files would be reviewed at once; and I understood that in practically every case there would be an increase similar to the increase being made in the statutory amount of the pension.

When the minister closes the debate today I would ask him to give us the assurance that

a similar practice will be followed in respect of the increases contained in this bill. I think, too, that the same practice should be adopted with respect to dependent parents. Here parliament is granting an increase in the pension. Let us carry out the intent in full by increasing also the pensions which are in the discretion of the commission.

In this connection I would point out also that in schedule B of the bill a distinction has now been made between the rate payable to a widow and that payable to a dependent parent of a veteran who has died. For some reason or other there is no increase in the amount which may be paid to a dependent parent. The amount to a widow is increased from $900 to $1,200.

My second point is on behalf of the small pensioners. There are many small pensioners who will not receive any increase in money as a result of the passage of this bill, because as their pension goes up their war veterans allowance goes down. In this way the money in pocket will remain exactly the same, and those particular pensioners will receive no benefit.

The minister has said that at the next session a committee will be set up and that war veterans allowances will then be dealt with, and that if there is an increase it could be made retroactive. Of course that would help these small pensioners. But they are faced with a hard winter. They would get no increase until next April or May, and a retroactive payment made at that time is not of very much use to a veteran who is trying to get along this winter on $40.41—it could be up to $50—part of which would be pension and part war veterans allowance.

These small pensioners will suffer during the coming winter, and I would hope the minister would take some steps to meet that situation, particularly as he has promised retroactive legislation next spring. When the bill reaches committee I intend to move that there be added as subsection 1 (a) the following:

> An increase in pension paid to any person by virtue of section 1 shall not be included as income for the purposes of the War Veterans Allowance Act, 1946.

I am telling the minister about that at this time, so that he may give it some consideration while debate is in progress.

In 1948 a special committee on veterans affairs was set up. At that time there was an increase in the amount of pensions. We find it set out in chapter 23 of the statutes of 1948. New schedules A and B were added just as in the present instance. A provision was made in 1948 to make the increase in pension retroactive for a certain period. It was made retroactive to October 1, 1947, and the provision was written into the bill that retroactive payment of pensions should not be taken into account for purposes of war veterans allowances. This will be found in section 18 of the 1948 amendment, which reads as follows:

> 18 (1) Schedules A and B to the said act—

That is the Pension Act; and incidentally, this reads very much like the bill now before the house.

> —as amended by sections thirty-one of chapter thirty-eight of the statutes of 1928 and twenty-three of chapter twenty-three of the statutes of 1941, are repealed and schedules A and B to this act are respectively substituted therefor.

That brought in the increases in the new schedule. Then the section continued:

> (2) Section eight of this act and subsection one of this section shall be deemed to have come into force on the first day of October, nineteen hundred and forty-seven, except that the percentage of disability figures appearing immediately below the class designations 1 to 20 shall come into force on the first day of June, nineteen hundred and forty-eight.

Then subsection 3, the one which is particularly important in my submission, reads:

> An increase in pension paid to any person by virtue of this section in respect to any period prior to the day on which this act receives royal assent shall not be included.
>
> (a) as income for the purposes of the War Veterans Allowance Act, 1946.

There are two other clauses, (b) and (c), but they are not material to my submission. I admit that these provisions had to do with a retroactive payment of pension, but I go on to suggest to the minister that there is no reason why a similar provision could not be written into this bill to provide that the increase being granted in the pension shall not be taken into account for the purpose of the War Veterans Allowance Act. That would preserve the situation until the special committee could meet next session. It would protect the smaller pensioners over the winter; they would thus benefit by the increase granted under this bill, in that they would not lose a portion of their war veterans allowance. Unfortunately they will lose some of it unless some such provision is made.

When the committee reviews the whole matter at the next session, the legislation can be changed to meet the wishes of the members of the new committee. That is my second suggestion, that the suffering and hardship that is bound to be the lot of these small pensioners on war veterans allowance could be alleviated by writing some such provision as I have mentioned into this bill.

My third suggestion I know is not going to be very popular. At the beginning the

Canadian pension schedule was set up on the basis that higher ranking officers received higher payments of pension. Rightly or wrongly, that was the plan adopted in 1919 or whenever the Pension Act was written into the statute books. There have been many complaints about that. I believe perhaps it might have been wiser not to have a distinction of that kind. However, it was written into the law, and it has been the law ever since. In 1948 when an increase in pension was granted, there was no increase to these senior officers. Mind you, it is not a very popular plea to have to make. The veterans organizations and hon. members of the house are all hesitant about saying anything about the senior officers, because they get more than the rest of the forces.

In 1948 pensions were increased, but these senior officers were left out. The same thing has been done in this bill. You do not read anything about that in the newspapers. You do not hear it mentioned in the house. Only a handful of men and widows are affected, and no one brings forward their position. I suggest that if this principle was right in the first place, this is not a very good time to start getting around it in a sort of secret way without anything being said. The only people who know anything about it are the senior officers, many of whom are getting along in years because they were older than the other members of the forces, and the widows of these same men who, in most cases, will be a great deal older than the widows of the men who were not in the higher ranks. I place that before the minister.

There has been some change in this system. Before 1948 all in the army up to and including the rank of lieutenant were on the same rate. In 1948 it was taken a little higher, and captains were put in. In 1951 they have included the majors. The major gets a little increase, but he does not get as great an increase as the captain and all lower ranks. No one above the rank of major or lieutenant-commander (naval) or squadron leader (air) gets any increase whatever. I believe that should be brought out into the open so we all know what is happening. Under all the conditions, I do not think it is fair that there should be no increase whatever given to these pensioners.

Mr. Stanley Knowles (Winnipeg North Centre): I always find it very interesting, Mr. Speaker, to listen to a discussion of matters affecting veterans in which the main participants are veterans. One always feels that these men bring to a discussion of such questions not only intense familiarity with the subject but a very real concern for their comrades of the various wars in which our country has been engaged. The result is that we have a most interesting discussion which, in the long run, results in the kind of advantage to our veterans that we all desire.

As has been said before, I believe it should be pointed out that it is not only the veterans in this house who are concerned that we do the right thing by our veterans; that is true of all of us. So it is that I welcome the opportunity of taking just a few minutes to say how pleased we all are that this bill is now before us. The day the Minister of Veterans Affairs (Mr. Lapointe) announced the provisions of this bill, it was my privilege to be the first to make a brief comment. As a matter of fact the comment had two points, both of which I feel to be quite important. On the one hand I characterized the announcement of the increases being provided in the disability pension as most welcome. On the other hand I expressed the hope that it would not be long until we might have a similar announcement with respect to war veterans allowances.

I do not need to take up much time, because most of the matters connected with the legislation before us now have been amply discussed by those who preceded me. But I do want to support most strongly the arguments that have been put forward by almost all those who have been on their feet concerning the case of the dependent parents. It does seem to me that their plight should be considered at this time. As the hon. member for Melfort (Mr. Wright) pointed out, they will not be considered when the War Veterans Allowance Act is dealt with at the next session of parliament by the special committee because they do not come under that act. If dependent parents qualify anywhere, they qualify under the Pension Act which is being amended at this time; and I am still hoping that the representations which have been made to the minister since his announcement on November 16 will result in his telling us, when we get into committee of the whole, that he is prepared to accede to those representations.

We now have the bill before us; and on looking at it, particularly at schedule B, I find that the minister has had to go out of his way to avoid giving this increase to dependent parents. Schedule B to the act as it now stands—and I am looking at it as it appears at the end of chapter 23 of the statutes of 1941—has just one column headed "Widow or dependent parent". It is true that each of the figures in that column is preceded

by an asterisk which draws attention to the note at the end of the schedule which reads as follows:

Pensions awarded to parents or brothers and sisters may be less than these amounts in accordance with the provisions of this act.

In other words that note makes it clear that although the amounts of pension for a widow or dependent parent appear in the same column with the amount as that for a widow in schedule B to the act as it now stands, in the case of the widow the amount is mandatory but in the case of dependent parents that amount is a maximum which it is within the power of the commission to award.

In the bill now before us we find that instead of just increasing the figures for the first two groups, from $900 a year for the first group and $1,008 a year for the second group, up to $1,200 a year or $100 a month in both cases, the government has separated what was in one column and put it into two columns. To me it looks as though the only reason the separation into two columns had to be made was that only in that way could the government deny to the dependent parents the increase being granted to widows of veterans where the disability pension is 50 per cent or more.

When we get into committee and get to the consideration of schedule B, I hope the minister will consider doing away with the second vertical column in that schedule and putting widows and dependent parents again in the one column, thus awarding to dependent parents the same possible increase that is being awarded on a mandatory basis to widows of disabled veterans. It seems to me there is no real argument against doing this. The representations for it made from all sides of the house have been most earnest and by way of sincere pleading on our part. I hope this matter will be dealt with today. As I have already said, if it is not dealt with today it seems to me these people are going to lose out in the shuffle, because they will not come in for consideration when the War Veterans Allowance Act is dealt with at the next session.

I want to say also that it seems to me the minister, when we get into committee, should give consideration to the matter drawn to his attention first by the hon. member for Royal (Mr. Brooks) and more recently by the hon. member for Vancouver-Quadra (Mr. Green), namely that in the act of 1948 there was a special clause providing that over a certain period of time increases provided by that act were not to be regarded as income for the purposes of the War Veterans Allowance Act. In other words the very request we made when we were at the resolution stage of this bill, that something like that be done, has a precedent. When, at the resolution stage, it was suggested that this should be done, the minister or his parliamentary assistant—one or the other of them, or perhaps both—suggested that this was a matter to be dealt with under the War Veterans Allowance Act. Here we have a precedent indicating that it can be done in the Pension Act itself.

I can foresee a difficulty if a private member should seek to move the kind of amendment the hon. member for Vancouver-Quadra has suggested. But at any rate, when he presents it in committee I hope the Minister of Veterans Affairs (Mr. Lapointe) will not start looking around for ways to argue that it is out of order; I hope rather that he will ask the hon. member for Vancouver-Quadra to send the amendment across to him so he may have one of his ministerial colleagues move it. It seems to me we should make sure that the increases provided by this most acceptable bill which is now before us will not result in some veterans getting an increase in their disability pensions but suffering a reduction by the same amount in their war veterans allowances.

There are obviously many other matters that arise in relation to this bill, in view of the wide scope of the discussion this afternoon, but I shall confine my suggestions to those two points which I hope will be given earnest consideration by the minister when we get into committee on this bill.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I had not intended to speak on this motion for second reading, as I made my remarks at the resolution stage; but in view of some remarks made by the hon. member for Vancouver-Quadra I feel that I must express my opinion on his suggestion. First of all I re-emphasize my opinion as to the defects of this bill: the failure to increase the provision for the children of pensioners to equal the amount being given the pensioners; the failure to make extra provision for dependent parents; and the failure to make certain that those who receive meritorious pensions or those who receive them on compassionate grounds shall receive the necessary extra consideration.

I greatly admire the hon. member for Vancouver-Quadra. He often presents fearlessly an unpopular point of view in this house. I think he was quite correct when he said it was unpopular to suggest that the higher ranks should retain their higher ratings in pension and so on. He made some complaint that in the last amendment of the bill the schedules were amended so that those up to the rank of captain received the same rate of pension as other ranks, and in this bill

it now includes up to the rank of major. I must support the government's action in this respect, because in Canada I think we live under different conditions from those upon which those first pension principles were based. The theory that the higher ranks require considerably higher pensions than do the lower or other ranks is based on the theory that those who receive commissions in his majesty's armed forces come from what were formerly termed as the upper classes, and that when they were retired from the army they had a certain above average standard of living to maintain. I maintain that those conditions do not exist in Canada and therefore we should not continue to follow a practice that was established under conditions that existed one hundred years ago in Great Britain. To illustrate my point, may I say that I had a former colonel and two former majors working on my farm on the same day, and I am sure they were quite willing to be considered as ordinary Canadians, returning from service to civilian life.

I have also heard this question discussed at Legion meetings. What the government is doing in gradually equalizing pensions as between the higher ranks and the other ranks receives the support of the great majority of veterans in this country and the great majority of the Canadian people. The opposition groups in this house advocated an increase in the basic rate of pension to compensate pensioners for the increased cost of living. We did not ask for an increase in the basic rate of pension for certain groups to maintain a higher than average standard of living. Therefore we in this group heartily commend the government on this further step in equalizing the basic rate of disability pensions, and in so doing showing a good understanding of the thinking of the Canadian people on this question.

Mr. Gordon Graydon (Peel): I should like to contribute an observation or two on this motion for second reading. Those hon. members who have sat in during the last few months with branches of the Legion and other veterans organizations were particularly impressed by the sane and responsible approach which these organizations have been making to the government, both before the committee which sat during the last session and in the intervening period when the representations were made direct to the government itself.

There is one thing about veterans legislation that distinguishes it from all others. The government need not fear any revulsion of opinion on the part of the public generally to reasonable and fair dealing in favour of the veterans in these measures. In my opinion the general public is always prepared in veterans legislation to go further than even the government or parliament sometimes suggests. In some instances the government may be somewhat reluctant to introduce measures which may have some unfavourable public reaction. but there is one thing about veterans legislation; the government need never fear an unfavourable public reaction to it.

One of the things that make parliament a great institution is the fact that on the question of veterans affairs there is great unanimity on all sides of the house. I think that is a reflection of the feeling of the people generally. I have always felt it was a good thing that years after the end of two great wars there is still an intense desire on the part of the Canadian people to do the right thing for those who served and contributed so much to our democratic stability and survival in the years that have gone by.

I wanted to raise my voice this afternoon to endorse the suggestions which have been made by several hon. members in this debate, without attempting to repeat those proposals in detail. It is not too late for the minister to give serious consideration to the proposals which have been made, because in the brief that was submitted to the committee last session and the numberless representations that have been made since to parliament and the government it seemed to me those veterans organizations adopted an attitude which can hardly be ignored by the department. The attitude was sane, reasonable and fair, and the claims they made were not extravagant.

I am hopeful that when the minister introduces a measure such as this, which I may say to him has received a most welcome response from all quarters, both civilian and service, he will be encouraged by what he has heard in the House of Commons and in the representations from elsewhere to go further and reconsider some of the suggestions which have been made in this debate and on previous occasions, and at the same time see to it that in some way the war veterans allowance—which I am not supposed to speak of on this occasion— is increased to take care of the increased cost of living that bears so heavily on the recipients of the war veterans allowance and other pensioners who are not mentioned in this legislation.

I do want to impress upon the minister with every bit of conviction at my command the necessity of taking a generous attitude, as has been proposed by a number of hon. members and by persons outside the house. If he does so he will find that his legislation, if

it follows along the lines suggested, will receive an even greater and more enthusiastic welcome from the Canadian people than this bill has. I want to say to the minister that I personally am very grateful for the changes that have been made. They will be of great help to a great number of people who in my opinion who are the most deserving of all our Canadian citizens.

Mr. F. E. Lennard (Wentworth): In rising to speak for a moment on this bill, to avoid much needless repetition I wish to say that I support wholeheartedly the remarks made this afternoon by the hon. member for Vancouver-Quadra (Mr. Green) and the hon. member for Winnipeg North Centre (Mr. Knowles). I have been very much disappointed because there has been no stepping up of the war veterans allowance this session. I would urge that at the earliest opportunity next session—not when it is half through or toward the end—this matter be gone into fully by, as has been suggested, the war veterans allowance committee, and also that full consideration be given to the widows and orphans who in many cases are certainly most deserving. Their cases are long overdue for consideration.

Mr. Victor Quelch (Acadia): When this matter was at the resolution stage I expressed my appreciation of the action of the government in bringing down this increase. I am sure the veterans across the country will very much appreciate this move. At that time I also drew the attention of the minister to what I considered to be some weaknesses in the legislation. However, at this time I rise to refer to a matter the hon. member for Cape Breton South (Mr. Gillis) brought up, namely the question of disabilities of pre-enlistment origin.

Mr. Speaker: Order. I thought the house agreed not to discuss questions other than those which are in the amending bill. As the hon. member for Acadia said, there was some discussion on the question which he proposes to discuss now. It is my impression the house decided that it would not further discuss questions outside the amending bill.

Mr. Quelch: I thought at the time you were referring to two references to the war veterans allowance, because this question will apply to the increase in the pension. I would like to draw your attention to the fact that members of two parties have referred to this matter, and it does seem to me that one member of this group should also be allowed to refer to the same matter.

Mr. Speaker: I think that seems fair. I am sure the house will agree.

[Mr. Graydon.]

Mr. Quelch: Our attitude on this matter has always been that a man's condition as recorded at his time of enlistment should be regarded as his true condition. Therefore no deduction should be made in the amount of the pension on the ground that the disability was of pre-enlistment origin. Veterans committees in the past have felt strongly on this matter; considerable discussion has taken place, and efforts have been made to remove what many felt was injustice to veterans who had served their country.

Many individual cases were investigated by the committee where veterans had been refused pensions, say in the case of stomach ulcers, on the ground that they were of pre-enlistment origin. It might be shown that at the time a man enlisted he admitted that he had indigestion, a tummyache, a bellyache or whatever you like to call it, and therefore it was ruled by the board that that condition existed before he enlisted. As a result he would be refused a pension, or receive only a pension for the aggravation of that condition.

It was the same with regard to tuberculosis. A soldier might admit on elistment that he had had periodic coughs, and it would be ruled that he had suffered from tuberculosis before he enlisted. There are other types of cases with which I am more familiar where men might have suffered accidents, perhaps five or ten years before enlistment. A man may have dropped a hammer or crowbar on his foot. For a time he would be unable to work, then would recover from his disability and go back to work. He would carry on for five or ten years and then enlist. After being three or four years in the army he might begin to have trouble with his foot; they would find it recorded that he had had an accident, and the ruling would be that his condition was pre-enlistment.

That is why we contend that the condition as recorded at the time of enlistment should be considered to be the true condition, unless its origin was within a few months of enlistment. After a man has served his country for two or three years under severe conditions it should not be claimed that such a condition existed prior to enlistment. Veterans committees on several occasions have tried to improve this situation. For instance, the act provided that no deductions could be made on account of disability of pre-enlistment origin unless it was wilfully concealed or recorded. The words "wilfully concealed" were struck out in the hope that the change would permit more veterans to become pensionable. I believe all those cases have been investigated, but I do not know how many have been awarded pensions or have had their

pensions increased. We are still faced with the problem of the men whose condition is claimed to be of pre-enlistment origin.

Then we went into the benefit of the doubt clause. Members of the committee amended the clause because they felt that many veterans were not getting the full benefit of the doubt. I said at the time that I did not believe the amendment would bring about much improvement. I do not know whether there has been improvement as a result of that amendment, because we know there are many cases where the pension commission feel they have to rule that a condition was of pre-enlistment origin in order to carry out the act. I believe the officials of the pension commission and of the department bend over backward in carrying out the provisions of the act, but so long as the act is worded as it is they find it impossible to carry out its provisions and at the same time give many veterans a pension. It is necessary that we make further amendments to the Pension Act.

I hope that when the veterans committee is set up next year to deal with the War Veterans Allowance Act the terms of reference will be sufficiently wide to permit it to go into the Pension Act and deal with the question of disabilities of pre-enlistment conditions. There is a great deal of dissatisfaction among veterans on this count.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I think this has been a model debate from the point of view of brevity and the thoroughness with which the subject has been discussed. I rise merely to join other hon. members who have supported the viewpoint expressed by the hon. member for Royal (Mr. Brooks) and the hon. member for Vancouver-Quadra (Mr. Green) with regard to increases in pensions and in particular increases in the case of persons receiving small pensions at the moment.

What is being done by this legislation is to carry out the will of parliament and of the Canadian people. As a matter of fact increased pensions would have been passed a year or two years ago had the ministry brought this matter before parliament. Increases in pensions were being demanded by branches of the Legion everywhere in this country, and they would have received the support of parliament had the ministry seen fit to introduce the necessary amendments. One increase was given, but further increases would have been acceptable, not only to every member of parliament but to the Canadian people as a whole.

There are two matters I wish to refer to. The first is that the increase in pension should not be included as income for the purposes of the War Veterans Allowance Act, 1946. I think the arguments that have been advanced in support of that proposition are worthy of consideration. The minister would receive universal approbation if he followed out the suggestions that have been made by the two members to whom I have referred and the others who have followed their lead in that regard.

The second matter to which I should like to refer has to do with parents, in particular silver star mothers, and the allowances granted to them. I have found that the chairman of the pension board and those associated with him are most considerate and generous in their treatment of the cases brought to their attention, not only by dependent parents but by pensioners in general. However, misunderstandings do arise and I am afraid that too often the sections of the Pension Act are more restrictive than parliament intended them to be. Too many are being denied pensions because of the contention that their condition is of pre-enlistment origin.

The other matter to which I am referring has to do with allowances and pensions being paid to parents or persons in the place of parents. The pertinent section is section 33, subsection 5, which provides that a pension to any parent or person in the place of a parent shall be subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the commission to provide maintenance for such person, but in no cose shall such pension exceed the amount of pension prescribed by the act. It would be a worthy action on the part of the minister and the government if they would agree that the amount of pension payable to parents and those in a similar position, in particular silver star mothers, should be increased to the extent being provided in the bill now before the house.

There are other matters one could discuss, but I am not going to detain the house. All I want to do is support the contention expressed by the hon. member for Royal (Mr. Brooks) in general and in particular by the hon. member for Vancouver-Quadra (Mr. Green) that the minister even now give consideration to action which will remove a source of deep dissatisfaction. Unless the suggestion is accepted the increases will have the effect of depriving some who are receiving war veterans allowance of at least a portion of their allowance. It is not going to be a costly change, and it will go a long way toward removing a cause of disaffection which will be intensified as the months go by and those in receipt of war veterans allowance begin to realize the effect of these

increases. Parliament but carries out in the amendments to the Pension Act what Canadian people asked for long ago. I do not want to be one of those who by talking will do anything to delay bringing about a general increase in pensions which in my opinion should have been brought in a long while ago.

Mr. J. M. Macdonnell (Greenwood): I just wish to make one point. As I understand it the Minister of Veterans Affairs (Mr. Lapointe) has not taken the position that the question of an increase in allowance for those on war veterans allowances is an unfair suggestion. My understanding is that in effect he has said: "We are not going to deal with it at this session; we will deal with it next session". If that is correct, then it seems to me that is an intolerable position for him to take. He really says: "We are going to do this but we will just leave it over and let these boys get through the winter as best they can". Indeed somebody—it was not the minister or any representative of the minister—said to me this afternoon: "Oh, well, they will get along somehow; they can get unemployment relief". That seems to me an intolerable suggestion. Therefore I come to this point; that if I am correct, if this is something which is admitted in principle, if this is something which is going to be done, then it is an utterly intolerable position for the government to take to say they will just let these men stew in their own juice until some time next session. It really means, as far as I can see—

Mr. Lapointe: Order.

Mr. Speaker: Order. It does occur to me that the hon. member is now discussing the War Veterans Allowance Act. Is the house ready for the question?

Mr. Green: Is the minister not making any statement?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Lapointe: In closing the debate I intend to follow the example of brevity given by hon. members today. I do not intend to follow their example on another matter, inasmuch as I do not intend to speak in such a way as to be out of order on the bill. Possibly the debate might have been somewhat briefer if some hon. members had debated the bill before them instead of introducing many other matters, interesting as they are, pertaining to veterans legislation. I am sorry the hon. member for Cape Breton South (Mr. Gillis) is not here. He always likes to give me fatherly advice—

Mr. Green: Grandfatherly.

Mr. Lapointe: —and I always respect it as such because I was brought up to believe in a certain deference toward what I might call advanced age. In other words, I was taught that regardless of whether or not the old man was right you never interrupted him at the dinner table. I did not call my hon. friend to order, but when we again have an opportunity of discussing the matters he raised today I shall be very glad to answer some of his points. So far as that is concerned, my remarks might also refer to the hon. member for Lanark (Mr. Blair). There again we always find that his views on matters having a medical aspect are very interesting to the house, and I am not sure that in many instances I do not share them to some extent.

The point has been brought up by many hon. members that veterans receiving pensions under section 21 are not likely to benefit under this bill. As has been pointed out, however, the pension paid under this section of the act is one which is determined by the pension commission. It is not paid as of right, but the rate on which it is based may be the same as that of the disability pensioner who receives a pension under the act as a matter of entitlement. The last time increases were introduced in the Pension Act every pension paid, under section 21 for what is called meritorious service, either to the veteran himself or to the widow, was re-examined by the commission. I believe the assurance which the hon. member for Vancouver-Quadra (Mr. Green) referred to as having been given in the committee at that time was that every one of these cases would be reviewed in the light of the new increases, and I am certainly happy to tell the house that this procedure will be followed again this time.

The same procedure will apply to pensions paid to dependent parents. There again these pensions are paid after a full investigation by the commission. I do not think it is necessary for me to give all the details of the procedure followed, but briefly when an application for payment is received the commission arranges for a pension visitor to call on the applicant. He submits a report containing full information as to the physical condition and economic circumstances of the applicant. Where there are unmarried children living with the parents who, in the opinion of the commission, should be earning sufficient to permit them to contribute to the support of such parent, section 33 (6) of the

act provides that such child shall be deemed to be contributing not less than $10 per month for such support. This is the procedure that has been followed, and the cases of dependent parents will also be reviewed by the commission in the light of the increases that have been given. That of course will be done within the statutory limits. I might point out to hon. members, however, that while I do not know the exact number, I am informed that only a very small percentage at this time receive the full amount under the statute. This comes about as the result of investigations carried on by the commission. It might also be taken into account that of the slightly more than 11,000 dependent parents—that is, those who are receiving single pensions as fathers or as mothers, or where both parents are receiving them—over 5,000 will be qualifying under the old age security legislation after the first of January.

A further point has been mentioned by a number of members during the debate, when they have suggested that a section should be introduced into the bill so that increases made effective by this measure will not be considered as income for the purpose of war veterans allowances. The example was given of the procedure followed in 1948, when the last increases were brought forward. The bill introduced at that time stated that an increase in pension paid to any person by virtue of the section, in respect of any period prior to the day on which the act was to receive royal assent, was not to be included as income for the purpose of the War Veterans Allowance Act, 1946. The circumstances existing at that time which made necessary the introduction of that section were not the same as those existing today. It will be recalled that at that time the increases were voted by parliament after having been considered in the spring of the year—perhaps it was in June—by the parliamentary committee. It had been announced that these increases in the rates would be retroactive to October 1, 1947. So in order that the recipients of war veterans allowances who had received payments between October 1 and the date when the new increases became effective would not be considered as having received overpayment under the provisions of the War Veterans Allowance Act, and as a result have their payments reduced for a period of months, this section was introduced.

I am sure if hon. members who discussed the point this afternoon will refer to the report of the parliamentary committee of 1948, at which time the amendment was introduced—and while I may be mistaken I believe it was brought forward at the suggestion of the then chairman, who is now my parliamentary assistant—they will see that amendment was put in the act after it had been pointed out that, without it, the effect of the act would be to bring about overpayment to recipients of war veterans allowances. As I said before, under this measure the increases are to come into force on January 1. Whatever changes may be decided upon by the committee at the next session will be made retroactive to the first of January. So the situation which existed in 1948, and which made that section necessary, does not exist today.

I believe that is all I had intended to say at this time, with the exception of possibly adding a few words along the lines followed by other hon. members during the course of the debate, both on the resolution and on the bill.

Hon. members have said that the meritorious features of the legislation can be traced to the work of the veterans organizations in Canada. I would be the last to make any effort to deny the efficiency of the work done by those organizations, by the Canadian Legion on the one hand and the national council of veterans associations on the other. As Minister of Veterans Affairs it is my good fortune to administer a department which has to deal with a large section of the Canadian population. In so doing I have always been able to count on the co-operation and advice of the main bodies comprising this section of the veteran population. It is a relationship I have always appreciated, and one I hope will continue. Much has been said in the house on previous occasions with respect to legislation affecting veterans, legislation which has resulted from what I might describe as round-table conferences between these veteran groups and the department. I pay them this tribute today, and express the hope that this happy relationship may continue.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Schedules A and B.*

Mr. Green: When the minister made his announcement on November 16, I believe it was, he said that the unemployability supplement would go out of use at the end of the present year. I should like to have him state what arrangements are to be made for the continued treatment of the veterans who have been able to qualify for this unemployability supplement. I believe provisions for that treatment are contained in class 5G of the regulations. Perhaps the minister will correct me if that is not the right class.

Mr. Lapointe: I believe that is correct.

Mr. Green: I should hope that these veterans would not lose their right of treatment because the unemployability supplement is being replaced by an increase in the pension. Unless some new regulation is brought in it would appear that they will lose those rights. Would the minister tell the committee what steps the department is taking to ensure that these veterans will retain such treatment rights.

Mr. Lapointe: I thought that at one stage I had made an announcement on this matter. I can assure my hon. friend that veterans who had qualified for treatment because they had become recipients of the unemployability supplement will continue to have this treatment.

Mr. Green: That hardly goes far enough, because there will be other veterans who, if the unemployability supplement had remained in effect, would have qualified for such treatment.

Mr. Lapointe: I do not know just what the wording of the regulation will be, but the general idea is that veterans who would have qualified had the supplement continued will get the treatment. I believe that is what I said the other day. I have not seen the wording of the regulation on which the officers of the department are working, but I am sure no one is going to lose any benefit of treatment which he had been receiving under the supplement.

Mr. Green: Or those who would have been able to qualify for the supplement in the future?

Mr. Lapointe: I am not sure about that.

Mr. Green: I believe, Mr. Chairman, that should be looked into, and I would hope that those who would have been able to qualify in the future for the unemployability supplement will be made eligible for this treatment.

Mr. Mutch: I believe it would be fair to suggest that neither the hon. gentleman who has just spoken nor any of the others who so bitterly attacked and eagerly demanded the removal of this supplement, at any time suggested that there was anything good in it. The hon. gentleman is not thanking us for having removed this unemployability supplement, but now he finds he wishes to preserve for posterity the benefits, if they were benefits, under that legislation. A little consistency might not be expected, but it would be called for in a situation of this sort.

Mr. Green: It is unfortunate that the hon. member for Fraser Valley is not here to remind the parliamentary assistant that partisan politics are supposed to be taboo in this debate.

Mr. Mutch: That is not partisan politics.

Mr. Green: The statement made by the parliamentary assistant is absolutely unfair, because we did say that the unemployability supplement should not be used as a measure to avoid increasing the pension. I do not want to go into that argument now because this is not the place to do it, but I am not withdrawing one word I said about that attempt to make the unemployability supplement take the place of a proper increase in the pension. What I am asking the minister about now is treatment benefits which were not contained in the unemployability supplement. These provisions for treatment were apart from the unemployability supplement, and I am asking if those treatment privileges are to be continued?

Mr. Lapointe: As I said before, they will be continued to those who have been recipients of unemployability supplements up to the first of January.

Mr. Green: What about those who receive the new old age pension? What will their treatment rights be?

Mr. Lapointe: What relationship is there?

Mr. Green: Are they to be given any treatment rights?

Mr. Lapointe: The fact that a veteran has reached the age of 70 and thereby qualifies for old age security payments does not mean that he gets entitlement to treatment in a veterans' hospital. By itself that would not be sufficient.

Mr. Green: The question is not quite as foolish as the minister thinks.

Mr. Lapointe: I did not think it was foolish. I wish my hon. friend would put his questions clearly so I could answer them.

Mr. Green: I shall try to put them clearly. There are veterans who have been on war veterans allowance who have been advised to go on old age pension when they reach 70 years of age. In some cases they are receiving a partial pension. What will their treatment rights be?

Mr. Lapointe: I have made an announcement in this house concerning that matter in answer to a question by the hon. member for Vancouver Centre. There has been no change in policy since that announcement some months ago.

Mr. Green: What was the policy then?

Mr. Lapointe: I suggest, Mr. Chairman, that this pertains to war veterans allowance

and not to the Pension Act. I do not see why I should be called upon to repeat what I have said in the house, because it is not in order on this bill. Some of these men are receiving a small pension, but it is not by virtue of this small pension that they are getting the treatment.

Mr. Green: They are small pensioners who have been receiving in addition the war veterans allowance, and they have treatment benefits.

Mr. Lapointe: By virtue of the war veterans allowance.

Mr. Green: They are still getting a small pension, but if they are over 70 they are not getting the war veterans allowance but the old age pension. I should like to know whether they will have treatment benefits.

Mr. Lapointe: Those veterans who are receiving a small pension, to which is added war veterans allowance, and who are receiving treatment because they are recipients of war veterans allowance, are not affected by this bill. I am trying to explain to my hon. friend that their qualification for treatment comes from the fact that they are recipients of war veterans allowances.

Mr. Knowles: But they will still be entitled to that treatment?

Mr. Lapointe: We might as well continue to be out of order, and I shall repeat what I said some time ago, that those who would be recipients of war veterans allowance were it not for the fact that they qualified for old age security will qualify for treatment.

Mr. Knowles: I should like to have a few words with the minister on the question of dependent parents. There is no doubt, Mr. Chairman, that this is quite in order. Dependent parents are mentioned in schedule B, and we are now discussing section 1 which relates to schedules A and B. As I recall the statement of the minister when he closed the debate on second reading, the cases of pensioners who are drawing their pensions under section 21 of the Pension Act will be reviewed. I take it that the purpose of that review is to ascertain whether those pensions could be increased. It is also to be noted that the statutory ceiling on the amount that can be paid to pensioners under section 21 is increased by this act, because the statutory ceiling is the same as it would be if they qualified for a full claim as set out in schedule A.

The point I wish to make is that it seems to me it is an announcement of substance when the minister says that the cases of those drawing their pensions under section 21 will be reviewed. The ceiling has been increased, so there is a chance that the amount of pension those men are drawing may be increased. I hope that will be the case. Then the minister says that the same thing will be done with respect to those drawing pensions under section 33 of the act. He qualified his statement right away, as he had to, by saying that of course there is a statutory provision with regard to section 33. I am about to suggest that the same substance there was to the promise with regard to cases under section 21 does not obtain with respect to cases under section 33 because the ceiling on the amount the commission can award under section 33 is not being increased by this act. At the present time the ceiling on pensions paid under section 33 is $900 a year or $75 a month, as set out in schedule B in chapter 23 of the statutes of 1948. The ceiling in schedule B to the bill now before us is still the same $900 a year or $75 a month. To tell us that many of these cases—the dependent parents, dependent mothers and so on—are not now at the maximum does not, I submit, alter the fact that there is not as much hope that this review will produce increases of any substance as there was in the case of those that came under section 21.

As I listened to the minister, up to a point that was all that bothered me about his announcement, namely that the chances of much of an increase would not be great if you do not raise the ceiling. As I said when I was speaking on second reading, I do not see why the minister bothered to break into two columns what was formerly in one column. I think he should have kept the schedule as it was, and should have raised the figure for dependent parents just the same as he did for widows. But the minister went on this afternoon and said that some 5,000 of the people drawing pensions under section 33 of the act—that is, dependent parents drawing compassionate pensions—would qualify for old age security payments starting in January, 1952. Then I began to wonder what is going to be the result of this review concerning those under section 33. As to those under section 21, it may result in an increase. Is there any possibility that the review of those under section 33, once those 5,000 start to draw $40 old age security, will result in their pension under section 33 being reduced? I should like the minister to answer that latter question, and I should also like him to comment on why he troubled to divide one column into two in the schedule.

Mr. Lapointe: I might point out to my hon. friend that, as he knows quite well, under section 33 there is what you might call a

means test. As I explained before, the commission has to take into consideration the degree of dependency, it has to look into the financial circumstances of the applicant and it has to consider all other sources of income of the applicant. That is why I mentioned this afternoon that it might be interesting to note that some 5,000 of these dependent pensioners will be receiving old age security. Under the act it is not a pension as of right, and the commission must take into consideration all these facts.

As to dividing schedule B of the act into three columns instead of two or two columns instead of one, I can assure my hon. friend that he is imputing to me motives which I never had. As a matter of fact, I may tell him this. Before any decision was made as to increases and what they would be, I personally suggested that in this schedule a separate column should be established for those pensions that were paid as of right and another column for those that were paid at the discretion of the commission. That has nothing to do with the present legislation.

Mr. Knowles: I will accept the minister's comment with regard to those columns although I would point out that as one looks at those two columns, the result is that, as to dependent parents, there is no increase for them. However, to come back to this other point, it seems to me that it gets worse as it goes on. Earlier in the game we were worried because dependent parents were not going to get any increase in the amount of their pensions under section 33 of the act. But now the minister has twice drawn attention to the fact that some 5,000 of these people will be drawing old age security as from January 1. He has also drawn attention to the fact that there is what he himself has called a means test in section 33. You have only to put two and two together in order to realize what is going to happen.

Mr. Lapointe: Not necessarily.

Mr. Knowles: The minister says "not necessarily".

Mr. Lapointe: That is not what happened when the last increase took place. At that time these cases were reviewed by the commission, and a great majority of them were increased because the decision of the commission was taken in the light of the general increases that had been given. I have every reason to believe that that will be the way the commission will review these cases. My hon. friend of course realizes that decisions or actions taken by the commission are not at the discretion of the minister, but I think that past experience would show that we can fairly well rely on a generous attitude on their part.

Mr. Knowles: I greatly appreciate the comment the minister has now made. I certainly hope the commission will operate in that manner. But we have had experience with these things and, from the emphasis that is placed upon the means test in section 33, it would look to me as though the result will be that if these dependent parents do not lose from their pension under section 33 the whole of the $40 they may get as an old age pension, they will lose part of it. They will get a bit of an increase, but their means will be assessed in the light of the new $40 and they will end up not with the $40 old age security as a net increase over their present position; and as a result of this review it is likely that there will be some cases that will not end up with any increase at all.

Mr. Lapointe: They will end up with an over-all increase in income.

Mr. Knowles: They may end up with an amount that will give them an over-all increase in income but it is not likely that it will be an increase to the extent of the full $40 which will be the case with so many of our older Canadians, again because there is a means test in section 33 of this act as there is—I know you are looking at me with a frown, Mr. Chairman, and I will just say this one word and then leave this subject—in the War Veterans Allowance Act as well.

To get back in order, Mr. Chairman, or in other words to get back to this specific act, may I say that the discussion we have had underlines more clearly than before the need for increasing the ceiling in column 2 of schedule B and for permitting payment of pensions to dependent parents equal to the increased amount that will be allowed to widows of veterans. The widow's pension is being brought up to $100 a month, and properly so; the whole house is grateful for that. I think the same amount should be the figure for dependent parents.

Mr. Green: From the minister's statement it would appear that the main reason for making this change is that several thousand of the dependent parents are over 70 years of age.

Mr. Lapointe: No.

Mr. Green: And that they will be receiving the old age pension.

Mr. Lapointe: I never said that.

Mr. Green: The minister has mentioned two or three times that 5,000 or more were

now to get the old age pension. But surely that is not sufficient reason for changing this schedule. Previously the figure was set at $900 for the widows and for the dependent parents. The figure is raised to $1,200 for the widow but remains at $900 for the dependent parents. It does seem to me that the hon. member for Winnipeg North Centre is right when he pleads for an increase to $1,200 in the ceiling on the pension that can be paid to the dependent parents. I do not think the minister has advanced sufficient reasons for failing to increase that figure in this particular case.

Section agreed to.

On section 2—*Coming into force.*

Mr. Green: Before we discuss clause 2 I should like to move an amendment, seconded by the hon. member for Lake Centre, reading as follows:

That the following section be added as section 1 (a) of Bill No. 27:

1. (a) An increase in pension paid to any person by virtue of section 1 shall not be included as income for the purposes of the War Veterans Allowance Act, 1946.

The Chairman: Order. I will put the amendment before the committee.

Mr. Green: As I pointed out in my remarks on second reading, this is similar wording to that which was used in the amendment to the Pension Act contained in chapter 23 of the statutes of 1948. Here we have this position. The Department of Veterans Affairs administers both the pension and the war veterans allowance. A bill is brought in to increase the pension, and in the case of the small pensioner the result is to cut the war veterans allowance so that in a good many thousand cases these pensioners will get no benefit whatever from the increase now being brought in unless there is some provision that they will not have the same or some amount deducted from the war veterans allowance.

I do not intend to repeat the submission I made earlier in the afternoon, but I do urge upon the minister that he accept this amendment. If he does, the result will be that when the pension increases come into effect on January 1, 1952, the small pensioners who are drawing war veterans allowance will be able to get this increase without taking a cut in the war veterans allowance which, of course, would result in their income being just the same as it is today.

The minister has referred to the amendment to the Pension Act which was passed in 1948, and has pointed out, just as I did in my remarks, that the provision in that act referred to a lump sum payment which was going to pensioners because the increase in pension was made retroactive for a period of approximately six months. He said because there was that difference there was no reason to make any such amendment to the present act. Actually, if he administers the War Veterans Allowance Act properly during these winter months he will have exactly the same situation, because the increase in pension will constitute overpayments, and under the law his war veterans allowance board will have to take those overpayments into consideration. In that way the amount received by the pensioner will be cut back to what he would have received if there had been no increase.

The main consideration here should be to make certain that these small pensioners, who are also on war veterans allowance, get the benefit of this pension increase. It will not be very great for them because they are not the pensioners receiving high amounts. I think the maximum would be a 35 per cent single pensioner and a 45 per cent pensioner if married, because over and above those figures the pensioner cannot qualify for any war veterans allowance. Therefore the increase in pension will not run into very large amounts; but for these veterans every five cents means a great deal. Every five cents or ten cents may mean the difference between getting a meal or not getting it. With prices high, as they are, and going higher all the time, many of these men are suffering greatly and will suffer more during the winter weather. I would urge on the minister that he accept this amendment. If it is not exactly in the proper terms, then accept an amendment which would bring about the result I am after, which is that the increase in pension given with the right hand shall not be taken away with the left because the war veterans allowance is reduced.

The Chairman: I must say that I have very great doubt about the amendment being in order, because it has the effect of increasing the charge on the public exchequer and such an amendment must be moved by a minister of the crown. I will be glad to hear hon. members on the amendment.

Mr. Fournier (Hull): Mr. Chairman, I think you should have no doubt about it. Even the hon. member arguing his amendment pleaded with the minister to accept it, even though it did not meet all the conditions, and make it his own amendment, or put it in other terms.

Mr. Macdonnell (Greenwood): That shows how generous he is.

Mr. Fournier (Hull): He did it in a very able way, and I congratulate him. But in his own mind he knows that this will increase the expenditure which was announced in the message the minister gave when he first brought in the resolution. The hon. member made quite a plea for the committee to agree to the amendment, but if he looks at section 54 of the British North America Act he will see that a member, and even a minister, cannot move an amendment to increase an outlay without communicating to the house a message from the governor general. This would certainly increase the amount. There would be no object in moving the amendment if it did not increase the amount to be spent on the veterans. I really think that the hon. member will admit that his amendment is out of order.

Mr. Green: The Minister of Public Works is perfectly right when he says it would mean a larger payment to these small pensioners. I would hope that the minister himself would agree to some such provision being written into the law so these men will not suffer.

Mr. Fournier (Hull): I do not think even the minister could move that amendment at this stage. We would have to refer the matter back and submit it to the governor general, and then give the message to the house that he has been informed of the subject matter of the resolution and recommends it to the consideration of the house. We would not be in order in moving it at this stage in committee.

Mr. Diefenbaker: I am sure that would be a very easy thing to do. I suggest the minister do that immediately in order to meet a situation with which apparently the minister agrees but which, as he says, is faced with difficulties.

Mr. Fournier (Hull): I never agreed that this should be done.

Mr. Macdonnell (Greenwood): We have had instances in this house before where that has been done while you wait.

The Chairman: Citation 458 of Beauchesne's third edition reads:

> A motion to amend a bill so as to provide for the appointment of additional government officials is out of order as it involves an increased grant of public money.

I must rule the amendment out of order.

Mr. Harkness: May I just add my voice to that of the hon. member for Vancouver-Quadra in urging the government to move the necessary resolution, get the permission of the governor general and so on. In other words, I urge the government to go through the regular form and have something written into this bill so the situation which has been outlined will not continue, and those receiving small pensions may have them increased without the amount being taken off the war veterans allowance cheque if they are also recipients of that allowance. It seems ridiculous that a large number of pensioners who are drawing comparatively small disability pensions and are also in receipt of war veterans allowance should have the one cheque they receive increased, we will say by $10 or $15, and then have the war veterans allowance cheque knocked down by the same amount. Surely there are no insuperable difficulties in the way. It would not place any considerable strain on the treasury to do what has been suggested by the hon. member for Vancouver-Quadra and write something into this particular bill which would prevent that situation occurring.

Mr. Macdonnell (Greenwood): I think we should be clear as to what will be the effect if the minister does not adopt this suggestion. What is happening is that having virtually admitted that this is a proper thing, that this is to be done at the next session, the minister nevertheless refuses to take any action now. In other words, as I said a few moments ago, these men are to be left to stew in their own juice, not because of any reason that has been given but because of what can only be described as stubborn unwillingness to change a view expressed.

Section agreed to.

Schedule A agreed to.

On schedule B—*Scale of pensions for death.*

Mr. Knowles: May I ask the minister once again if he will not consider moving an amendment? I will not go through the routine that we experience so often of moving an amendment and having it ruled out of order, but I do suggest that it would be in order for the minister to move an amendment to schedule B. The suggestion I make is that the figure $900 in the second column, top line, be changed to $1,200 and that the figure $1,008 in the second column, second line, be changed to $1,200. The effect of that would be to raise the ceiling on the amount of pension payable to dependent parents to $1,200 a year or $100 a month.

If the Minister of Public Works feels inclined to say that that would require the approval of the governor general to a prior resolution, may I point out to him that the

resolution preceding this bill did not fix a ceiling. The resolution as introduced by the minister read as follows:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases in the rates of pension for disability and for death under the act.

When the notice of motion regarding that resolution was first presented to the house the minister stood in his place and said:

His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

There was no ceiling placed on the amount, and I submit that within the terms of the rules of the house the minister would be perfectly in order in now moving as an amendment that the dependent parents' pension be increased to $100 per month.

Schedule agreed to.

Bill reported, read the third time and passed.

JUDGES ACT

INCREASE IN NUMBER OF COUNTY COURT JUDGES IN BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 29, to amend the Judges Act, 1946.

He said: Mr. Speaker, during the resolution stage of this bill I was indebted to my colleague, the Minister of Public Works (Mr. Fournier), for attending to this item for me. I must say in confirmation that the information he gave to the house covered all the points in the bill and was all accurate.

Mr. Knowles: Even if he got it from the press.

Mr. Garson: That is right.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I suppose now that I can speak as a member of the bar of British Columbia it would be in order for me to say that I agree there is need for an increase in the number of judges which is provided by this bill. I should like to take advantage of this opportunity to ask the minister with regard to a matter about which I made inquiry the other day, namely the report in the press to the effect that under the prospective amendments to be suggested or which have already been suggested by the criminal law commission provision is being made for the extension of the jurisdiction of district or county court judges. In view of the fact that the minister will shortly be leaving and will not be here to discuss this matter I wonder if he would amplify the statement he made the other day that no interim report had yet been received from that commission. If that report has since been received, and if it provides for a considerable widening of the jurisdiction now enjoyed by county court or district judges, the opportunity is now available to him to make a statement on what I consider one of the most important matters to come before parliament, either at this or succeeding sessions.

Mr. Garson: I confirm what I said on the last occasion when my learned friend inquired about this matter, that we have not as yet received a report, interim or otherwise, from the commission. They are meeting in Ottawa at the present time, or at least they were yesterday, and are hoping that this will be the last time they will need to confer with one another. I would not think we will have the product of their present conference in its final form for at least a month, if not longer. Until I receive that first written communication concerning their deliberations, I regret that I would not be in a position to reply to my hon. friend's question.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as a layman I want to say a few words about this bill. I suppose it might almost be considered presumption on my part to speak on a bill of this type, particularly following the hon. member for Lake Centre (Mr. Diefenbaker). I know that an increase in the number of county court judges in the province of British Columbia is necessary because of the amount of work they have to do as a result of the increase in population. During the last two or three years I have noted that some of the county court judges are rather overworked. They are doing an immense amount of work at the present time, and that fact is not generally recognized by a large number of people.

In my opinion county court judges are a very important cog in the administration of justice. On the one hand there are the magistrates in the lower courts and on the other hand the justices of the higher courts, but it is my observation that the county court judges have the greatest amount to do with the greatest number of people. In years past I have had close association with some excellent county court judges in the interior of British Columbia, and it is generally recognized by people who know that they have rendered excellent service to the country.

During the war I had the opportunity of close association with some county court judges, particularly one who is now a justice of the supreme court of British Columbia, in connection with conciliation and arbitration boards. I shall never forget one case where one of these county court judges was the

chairman of the board. Some of the workingmen interested in arbitration spoke to me. They were of the opinion that the judge would naturally be wholly in favour of one side and would support that side. As the hearings proceeded I was very interested to notice that, as the judge came in close contact with these men and as they listened to what he had to say, their opinion changed; and when the proceedings were over they willingly recognized his painstaking methods and fairness in approaching the question under dispute. I think the county court judges of British Columbia have performed excellent service in many fields that are strictly outside court work.

As far as my own district of Kootenay is concerned, we are very fortunate in having had a succession of excellent men acting as county court judges. I have been informed by a good number of people representing all parties in this house how much they appreciate the excellent work that is being done by the present incumbent of the office of county court judge in the Kootenays.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

Section 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPREME COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Supreme Court Act to provide an increase in the maximum salary of the registrar from eight thousand to eight thousand five hundred dollars.

Mr. Diefenbaker: Will the minister make a statement on this matter?

Mr. Garson: In connection with the bill to which this resolution will lead, and in connection with the other bill the resolution leading to which is on the order paper, I might say that these are cases where the ceiling of the emolument of the officer of the court is fixed by statute. The result has been that in the salary adjustments that have been allowed the civil service during the past few years it has not been possible to include these gentlemen because of the statutory ceiling upon their salaries.

Mr. Diefenbaker: When was that statutory ceiling first provided?

[Mr. Herridge.]

Mr. Garson: I think it has always been in the statute in each case. If my hon. friend has not the statute before him, I have a pamphlet copy here if he wishes to see it. He will see that in setting up the office of registrar in each case it is provided that he shall exercise certain functions and shall be paid such salary as the governor general in council shall allow up to and not exceeding a certain sum. That is unlike other civil servants, who have no such statutory limit upon their salaries. The Department of Justice has received representations from the chief justice of Canada in the case of the supreme court, and from the president of the exchequer court in the case of that court, to the effect that it hardly seemed fair that these particular civil servants should be subject to such a ceiling which left their emoluments in a position of disparity as compared with those of other civil servants when the latter received increases in pay.

Our method of disposing of this request was to make a careful comparison with the emolument of the registrar of the supreme court of Ontario in Toronto, whose work is much the same in character, although in a court which would not ordinarily carry the same degree of dignity and importance as the Supreme Court of Canada. We have tried to relate the increase provided by the present amendment to the salary paid to the registrar of the Ontario high court at Osgoode hall.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Diefenbaker: The minister stated that in arriving at the amount fixed in the bill for the salary of the registrar a comparison was made with the amount paid to the registrar of the Ontario high court of justice. Would the minister say what amount is paid to the official in question?

Mr. Garson: Yes. My recollection is that it is $1,000 less than the salary we propose for the incumbent of the Supreme Court of Canada.

Mr. McLure: What are the duties of a registrar, and what are his qualifications?

Mr. Garson: I think perhaps I can answer that by giving you the qualifications of the gentlemen who hold these positions at the present time. In the case of the Exchequer Court of Canada, the gentleman in question is a barrister at law of forty years standing. After his appointment in 1908 as a Rhodes scholar from Manitoba he attended Oxford university, took the English bar examination there, and was called to the English bar in 1911. He was a member of the honourable society of the inner temple and later in the same year was admitted to the bar of

Manitoba. He practised law in Winnipeg from 1911 to 1923, later entering the dominion civil service where he acted for many years, until he was finally appointed to his present position. He is the chief administrative officer of the court. In addition to that he is a taxing officer, with authority to tax party and party costs which are incurred in court. Also, he has the jurisdiction of an exchequer court judge in chambers, and conducts inquiries into damages, in patent and other actions referred to him for that purpose.

Mr. McLure: But the registrar has no judicial duties?

Mr. Garson: Oh, yes.

Mr. McLure: He does not plead a case, decide a case or anything of that nature.

Mr. Garson: As I have already indicated, his duties as a taxing officer are semi- or quasi-judicial, and his duties in exercising the jurisdiction of an exchequer court judge in chambers are judicial in character. Then his duties in connection with references to him under the act are also judicial in character. In that respect he compares to a master or referee in a high court.

Mr. McLure: After all, he would be called only a clerk. A county court clerk would be the same thing.

Mr. Garson: No, my hon. friend would be quite wrong in supposing that. The judicial duties of which I have spoken are altogether different from those of a county court clerk.

Mr. Knowles: The Minister of Justice gave us an interesting account of the gentleman who occupies the position in the other court. Has he the same material with respect to the registrar of the supreme court?

Mr. Garson: They are much the same in both cases.

Mr. Graydon: The registrar of the supreme court has the additional qualification of having been a cabinet minister.

Resolution reported, read the second time and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 30, to amend the Supreme Court Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read the second time?

Mr. Garson: Could it not be done now? It is a very simple matter.

Mr. Knowles: We had better see it.

Mr. Deputy Speaker: Next sitting.

EXCHEQUER COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Exchequer Court Act to provide an increase in the maximum salary of the registrar from six thousand five hundred to seven thousand five hundred dollars.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. McLure: What are the duties of this official? Does he not have the capacity of a clerk?

Mr. Garson: No. Both these gentlemen to whom I have referred are registrars of courts. As I tried to explain a moment ago, the work of a registrar covers all the clerical duties my hon. friend has in mind in the case of the clerk of a county court; but in addition to that they have other duties of a quasi-judicial character, to which I have already made reference. For instance they have jurisdiction and power to try interlocutory motions of certain types which it would be quite proper to bring before a judge of the court. Lawyers who are involved in these cases come before the registrar to plead these interlocutory motions. The registrar will sit on such motions and render a decision.

In the same way a judge of the court has power to refer certain matters back to the registrar for judicial decision. When these references are made the registrar of the court will sit and listen to counsel on both sides in precisely the same way a judge would, and will render judgment on the reference. So the registrar combines clerical duties with duties which I think might properly be described as judicial, or if not judicial in the exact sense, certainly they are quasi-judicial.

Mr. McLure: They cannot plead a case.

Mr. Garson: No. Any officer of the court has to be a barrister of several years standing, but once he is appointed he has to give up his practice of law. As a matter of fact, in connection with the court we are now discussing the position is very much a full-time job, because the volume of business done by the Exchequer Court of Canada is very great.

Mr. McLure: I am opposed to both these increases in salary, and for this reason: We have been struggling all along to get increases for people such as pensioners and persons on retirement incomes. Yet when we come to these higher positions, where the

salaries are already large and remunerative, the government goes to work and gives a big increase. Possibly it is all due to the surplus. These officials see an opportunity of getting something out of that immense surplus that may be on hand at the end of the year.

Notwithstanding what the Minister of Justice has just said, these men are just clerks, although they carry the glorified name of registrar. In our county courts throughout the provinces our clerks are doing the same class of work. Their qualifications may not be as high as those of registrars. I must say that I believe these increases are uncalled for under present conditions. These people cannot be described as overworked civil servants, or as civil servants overburdened with work. If you look at what a registrar or county court clerk does, you will find that he works about two hundred days a year. He is receiving a fine salary without any increase. If the minister wants to stand in properly with those for whom we have been pleading in the other branches of the service, and the men who have given war service, he should withdraw this measure. These men are overpaid now.

Mr. Garson: In fairness to these gentlemen and the courts which they serve, I believe I should place on the record, in relation to the remarks which have just been made by the hon. member for Queens, the fact that in the supreme court of Ontario at Osgoode hall the senior master receives $8,500 a year, the master $7,500 and the registrar $7,500. When one takes into account the fact that the Exchequer Court of Canada receives business from one end of Canada to the other it does not seem unreasonable that the registrar of the exchequer court should get as much as but no more than the registrar of the supreme court of Ontario.

Mr. Diefenbaker: When we were dealing with the supreme court amendment the minister was good enough to place on the record the qualifications of the registrar of the exchequer court. Since these two matters have become intertwined, perhaps he would be good enough to place on the record the qualifications of the registrar of the supreme court.

Mr. Garson: I should be glad to do so. The gentleman who is now the registrar, Mr. Paul Leduc, was appointed as registrar of the supreme court on October 1, 1940. He had practised law in Ottawa from 1915 to 1934, at which time he became a cabinet minister in the Ontario government. He was a prominent member of the Belcourt firm of this city which did a great deal of agency work for firms in other parts of Canada, particularly in the province of Quebec. In that way when he was appointed, although a lawyer residing in Ontario, he had had considerable experience in the Ontario practice and the civil law practice of the province of Quebec in relation to the appeals which would come to the supreme court from that province. He was a member of the bar of both provinces. I believe that in every respect he was qualified to become an official of the court.

Mr. Diefenbaker: Now that the supreme court, with the exception of the few appeals that are still en route or in the privy council, is the final court, what has the minister to say as to any increase in the duties and responsibilities of the registrar over what they were prior to the abolishment of appeals to the privy council?

Mr. Garson: The hon. member is quite right in implying by his question that inevitably there will be an increase in the volume of work in the supreme court over what formerly obtained. As yet I do not think we have been able to accurately measure the extent of that increase.

Mr. Diefenbaker: Has the minister any statistics at all?

Mr. Garson: No, we have not. One reason for not attempting to secure them is that we think the time is too short to accurately measure any increase in that work.

Mr. Diefenbaker: Has there been a material increase in consequence of making the supreme court the final court of appeal?

Mr. Garson: I think I would be correct in saying there has been. I would not say a material increase, but a significant increase. Whether that is due to the abolition of appeals to the privy council I believe it would be difficult to say; for the time within which appeals from cases which were current at the time the amendment to the Supreme Court Act was passed has not yet run out. Until that time does run out the privy council is just as available as the court of last resort for cases then current as it has been heretofore. It will not be until that period has run out that we can trace with any accuracy the effect upon the volume of work in the supreme court which the abolition of appeals to the privy council might bring about.

Mr. Diefenbaker: When will it run out?

Mr. Garson: It is not a definite period. It will run out when the last time for appeal has lapsed for a case which was current in the trial court at the time the legislation came into effect. It is very difficult to forecast just when that will be.

Mr. Diefenbaker: One other thing in connection with the exchequer court. I take it from the recital of the responsibilities of the registrar that one of his duties is to bring to the attention of the judges the question of judgments which should have been rendered. I do not raise this by way of criticism at the moment, but I do believe something should be done to assure more expedition in the giving of judgments in the exchequer court. The delay in some of these cases is difficult to explain to one's clients. After all, in the administration of justice it is just as important that justice be rendered with expedition as it is that justice be rendered. I would suggest that the attention of the registrar be directed to the situation.

Has the minister any record before him showing the number of judgments that are a year and a half overdue, or even more than that? The situation is not due in any degree to the judges; nonetheless it is the subject of very strong criticism across the country.

Mr. Garson: It just so happens, Mr. Chairman, that within the past week I received a report upon the arrears of judgments in the Exchequer Court of Canada. While I cannot recall the exact figures I am quite certain there was a substantial reduction in the number of delayed judgments from what was the case on the last occasion I had cause to check it. I sent this list to one of my colleagues as a matter deserving comment, and I am sure he would regard it with some gratification. There has been a distinct improvement in the condition to which the hon. member refers, although I agree there were formerly good grounds for his observation.

Mr. Diefenbaker: I thank the minister for that explanation. I do not want to ask a question on the order paper, but if he has a record showing the present condition of judgments it would be most helpful. In the past these delays have been unexplainable to clients and sometimes, in the opinion of those who know, inexcusable. A delay of one and a half or two years after a case has been heard might very well lead to a condition of affairs where the judge would remember the name of the case but the facts would long since have passed into the limbo of forgotten things. Regardless of the notes a judge takes, unless a judgment is delivered within a reasonable time certainly the client who loses the case is always of the opinion that had the judgment been given earlier the result might have been otherwise.

Mr. Garson: I have just received from my efficient staff here the statistics in question. For the year 1950 there are seven judgments outstanding; for the year 1949, one. That is the lot. I think the hon. member for Lake Centre will agree that is definitely an improvement from the situation of, say, two years ago.

Mr. Diefenbaker: Yes, that is an improvement. How many are outstanding of those heard in 1951?

Mr. Garson: There are a number.

Mr. Diefenbaker: Has the minister the record of that?

Mr. Garson: Yes.

Mr. Diefenbaker: How many?

Mr. Garson: Twenty-two in 1951. But my hon. friend knows that it is still necessary to be realistic. They may be outstanding for two days. As soon as the argument is heard and the case is closed, they become outstanding right away. To be realistic about a thing like this, the statistics should be in relation to the preceding year.

Mr. Diefenbaker: That is true. Now that the minister has the statistics before him, is he able to say how many judgments were given in 1951 in cases heard in 1948?

Mr. Garson: No, I have not that statistic. They do not come in that form.

Mr. Diefenbaker: The minister has not that information?

Mr. Garson: No. I could get it for my hon. friend if he wishes me to do so.

Mr. McLure: I should like to ask one question about the registrar. At first, when the minister was speaking about him, I thought that he did all the work for the judges. But now I understand that he has a staff under him. What staff are under the registrar in carrying out his duties?

Mr. Garson: I am afraid that I cannot at the moment give accurate figures in that regard. I shall be glad to get them and give them to my hon. friend. The registrar has a staff. He needs stenographers and clerical staff because the volume of litigation in these courts is large and a staff is required for that purpose. Then a good deal of the registrar's time is taken up with these judical duties that I was speaking about. The taxing of bills of costs takes up a great deal of time, as does the hearing of these interlocutory motions and the hearing of references. My hon. friend would be under a quite wrong impression if he thought that this gentleman was just a sort of glorified county court clerk with a staff of clerks under him.

Mr. Knowles: Both the hon. member for Queens and the Minister of Justice have addressed themselves to the question of

whether or not these registrars are persons of some importance or whether they are, in their words, just clerks. I think we should be careful about our use of that word. Sometimes a person who holds the position of clerk is an extremely important person.

Mr. Graydon: There is one at the end of the table.

Mr. Knowles: That is exactly the person I am thinking of. In other words, it can be quite an honour to be called a clerk, and I am sure we all feel that way with respect to the Clerk of the House of Commons. The question I wanted to put to the minister is this. What is the relation between the volume of work of the Supreme Court of Canada and that of the Exchequer Court of Canada?

Mr. Garson: As to the actual number of cases handled, the volume would be substantially more in the Exchequer Court of Canada than in the Supreme Court of Canada.

Mr. Knowles: Then does it follow that the work of the registrar of the exchequer court is heavier than that of the registrar of the Supreme Court of Canada?

Mr. Garson: I think the accurate answer to that question is that probably it would be, in quantity; but not as to quality or degree of responsibility.

Mr. Knowles: I notice that we pay the man who does the most work $1,000 less than the man who does the least work.

Mr. Garson: I did not say that. I said the work was greater in quantity but that the quality of responsibility involved was not necessarily as great. I think my hon. friend would probably agree that, having regard to the fact that one is a trial court and the other one is the highest court of appeal in the land, there is some ground for a distinction in salary between the two.

Mr. Knowles: But is it not true that in both cases the judicial functions exercised by these registrars are pretty much the same?

Mr. Garson: Well—

Some hon. Members: Carried.

Mr. MacInnis: I was rather interested in the answer the Minister of Justice gave to the hon. member for Winnipeg North Centre. He said that the work might be the same or a little more in quantity in the exchequer court but might differ in quality. I should like to know what he means by that.

Mr. Garson: What I said was the quality or the responsibility involved. The difference is this. To repeat myself, as I am bound to do because I think there is a certain element of repetition in my hon. friend's question, may I say that the exchequer court, as my hon. friend knows, is the lowest trial court in respect of certain classes of action between the subject and the crown, patent actions and the like.

Mr. Knowles: That is, it is a court of first instance.

Mr. Garson: Yes, it is a court of first instance. If a case involves subject matter of that type it is tried before the exchequer court. The Supreme Court of Canada is the highest court of appeal in the whole country. It is the court of last resort. By statute the registrar is given the rank of a deputy minister. The representations we received were to the effect that we should have salaries higher than those which we have authorized, but these are the amounts that have been approved by treasury board. In arriving at them we have tried to make a comparison of the actual work done by these gentlemen —that is, the kind of the actual work done— with the work done by the registrars of other courts, particularly the supreme court of Ontario at Osgoode hall in Toronto.

Mr. MacInnis: Then am I to understand the situation is that as the supreme court is a higher court than the exchequer court— although both courts are dealing with the matter of justice—regardless of the amount of work done by the registrar of either court, in view of the fact that the registrar of the supreme court is connected with the highest court in the land as a matter of prestige his salary should be higher?

Mr. Garson: I would not say that. If my hon. friend will reflect for a moment upon the fact that all the appeals from the ten provinces of Canada come to the Supreme Court of Canada, he will understand better what is involved. Not only appeals from the highest courts of these provinces but appeals from the county courts, if there are any, and also appeals from the Exchequer Court of Canada all come to the Supreme Court of Canada. In that way all of the more difficult and more controversial cases which have not, in the opinion of the counsel involved, been decided properly by the lower courts in the various provinces and in the exchequer court come to the Supreme Court of Canada. And the registrar of the Supreme Court of Canada has a duty in relation to it corresponding to that of the registrars of these lower courts. If my hon. friend went to any one of the provinces he would find the same distinction between the county court clerk and the clerk of the higher court. No person argues that the county court clerk in large cities does not handle more

individual cases, but he does not get as large a salary because the quality of the responsibility which he has in relation to these cases is not considered to be as great as that of the registrar or clerk of the higher court, where usually larger amounts of money and more complicated legal issues are involved.

Mr. Blackmore: Before the resolution carries I should like to get some idea of the number of cases this man would try. The minister says he has the power and the jurisdiction to try cases. Is there any way of forming some sort of estimate as to the average number of cases he would be called upon to try in the course of a year?

Mr. Garson: I should like to emphasize that this gentleman does not try any cases in the ordinary sense in which we usually use the word "case". What he tries are motions of what are called an interlocutory character; that is, for example, motions for an order for an examination for discovery, and other types of motions which are made before the actual trial of the case comes on and which would be made to the judge if the registrar did not have the authority to try them.

Another type of matter that the registrar tries is this. After the case is over he sits in judgment to determine what costs the successful party can tax against the unsuccessful party. In that connection he has to exercise the same type of judgment that a judge would exercise if he were determining the matter. Then he also has to deal with matters which are referred to him in his capacity as registrar by the judge, being matters of lesser importance than the trial of the case itself yet perhaps more detailed. He looks after those in a judicial capacity.

I must say that I cannot tell my hon. friend offhand how many these would be in number. I would have to get that information and supply it to him, but I have no doubt at all that they would be quite substantial. That is in addition to this other work of looking after all these documents and seeing that cases are properly set down, subpoenas are issued and all the other work a registrar does.

Mr. Blackmore: I must confess that all this is entirely new to me, but that does not make any difference to my responsibility as being one of those in this house who should contribute a little bit toward looking after the public purse. I shall have to ask a question or two to become informed on the matter. I should like to get some sort of idea of how much time on the average would be involved in trying one of these interlocutory cases.

Some hon. Members: Oh, oh.

Mr. Blackmore: To the lawyers it is clear; it is a matter for fun. Well, it would not be a matter of fun to some of the farmers who have a mortgage on their property. We here have some responsibility, and I should like the minister to give information on the amount of work that is done. I do not mind paying this man; I have no objection at all to that, but I do feel that before we vote unanimously on a proposal like this we should get some sort of satisfaction as to whether or not the man is really earning the money.

Mr. Garson: I do not know how I can emphasize any more strongly than I have already attempted to do that these positions are not in any sense sinecures. This particular position we are talking about, and in relation to which my hon. friend has just asked his question, is very much a full-time job that he works at the whole year round. In connection with that my hon. friend asks, how long does he spend on one of these interlocutory motions. I would say that it might range from perhaps an hour as a minimum to several hours. It depends upon the issues that are involved in the particular motion that comes before him. There will be a wide variation in the time it will take to deal with any one of these motions or references. It depends upon the facts and the points that are being raised and the like, and also probably upon the long-windedness of the counsel involved. Therefore no universally accurate answer can be given to my hon. friend's question. I do want to emphasize that this is not a matter of a man going down to the courthouse, hearing a motion and then going off to play golf or going home. He is there all the time in the ordinary course of his duties. When he absents himself from his office to hear these motions that are made before him, or to deal with these references, the office has to remain open for the filing of papers, the issuing of court documents and the like, and that is the reason he has to have a staff.

Resolution reported, read the second time and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 31, to amend the Exchequer Court Act.

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

Hon. F. G. Bradley (Secretary of State) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

Mr. Knowles: Would the minister like to make a statement?

Mr. Bradley: The present salaries of the civil service commissioners are greater than those actually specified in the Civil Service Act, the authorization for this being obtained annually by means of a special item in the estimates.

It is the purpose of the present amendments to the act to avoid the necessity of having recourse to the estimates by providing that the salaries of the civil service commissioners shall be set by the governor in council, which may also, on the recommendation of the Prime Minister, retain the services of a commissioner beyond the age of 65 years.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this has a little more to it than met the eye when one looked at the resolution. I have referred to the salaries of the civil service commissioners several times as an example of something that needs to be tidied up in our financial administration. The Secretary of State has just pointed out their salaries are fixed by statute at a certain amount, but in addition to that they have been receiving a further $2,000 by virtue of items in the estimates. For example, in the estimates of the current year, passed in the session that ended last June, there is item 76 which includes $2,000 for each of the commissioners additional to the amount provided by chapter 53 of the statutes of 1947. I have pointed out several times how the Auditor General has frowned upon this practice. He has stated that we should not legislate by having an item in the estimates year after year. If there is something we want to make permanent it should be written into the statutes. I have suggested several times that that recommendation of the Auditor General should be implemented, namely that this statute should be amended so as to provide therein for the full amount of salary being paid to the civil service commissioners.

When I saw this resolution on the order paper I complimented the Secretary of State (Mr. Bradley), when I was speaking on the Financial Administration Act, upon what I felt was the intent of this resolution. From what has just been said I gather that this resolution goes a great deal further. It will take the question of the salaries of the civil service commissioners right out of the statute, right out of the control of parliament, and make them subject only to the governor in council. I strongly object to that being done.

We have just had a debate on two measures which fixed salaries by statute. There was no change in the general principle of parliamentary control over those salaries. Earlier we passed an amendment to the Judges Act in which the salaries of judges are fixed by statute. The salaries of cabinet minister are fixed by statute. I realize that the salaries of deputy ministers are not, and in fact I was surprised the other night when I learned that the salary of a certain deputy minister had been increased over and above what was indicated in the current estimates.

I think we should have some explanation as to why we are being asked to change the statute in this way. I think the government should tell us also whether they have any intention after this bill is passed of increasing the salaries of the civil service commissioners. At the present time they receive by way of statute and an item in the estimates $12,000 for the chief commissioner and $10,000 for the other two. I was sympathetic with the hon. member for Queens (Mr. McLure) a while ago in his attitude toward raising these other salaries, but those were salaries in brackets lower than these now under review.

As I say, I am wondering whether the bill to be based on this resolution will increase these salaries. At least we in parliament know in most cases what is happening, whereas this proposal seems to take this matter right out of our control. I question whether we should be asked to accept this without further explanation, without the government taking parliament completely into their confidence as to their plans.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, following the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles) I wish to protest at having a resolution in these terms placed before us. There is nothing in this resolution to indicate what the legislation to follow is to be. If we are not told that in the resolution, we may as well have no resolution at all. How are hon. members going to be able to prepare themselves to debate the substance of legislation if there is nothing in a resolution to indicate what is going to be done? To use the vulgar term, in the sense that it is common, a resolution like this is merely making monkeys out of hon. members. The Civil Service Act is to be amended in a very important way and there is no indication whatsoever in the resolution as to what is to be done. Surely the house is entitled to more respect. What was referred to the governor general? What was he told? The resolution reads:

> That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

I know what I would say if I were the governor general. I do not think I would

take it under consideration when I was offered a resolution like that. I would tell the fellow to bring me back a resolution that meant something, that I could understand. There is nothing in this resolution that indicates anything. The government may be going to abolish the Civil Service Act altogether. They may be going to pay the civil service commissioners $100,000 a year instead of $10,000 or $12,000, or they may be going to reduce them to $1,000. It is just the sheerest nonsense, and I am surprised that the Secretary of State (Mr. Bradley) should offer so little explanation when asked to explain the resolution.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to associate myself with what has been said previously. I do not know which is the worst. We have a resolution which the hon. member for Vancouver East (Mr. MacInnis) has described as being completely inadequate and on the other hand we have had a slight glimpse at what is actually going to be done. The result is most unsatisfactory. We will certainly need considerable satisfying as to why these salaries should be placed in a corner and dealt with in a different way from other salaries.

I can easily keep this going until 6.15, but I suggest that we give an opportunity to the Secretary of State to give us further information. If you will allow me to adjourn the debate, I shall, and if you will not, I shall continue until 6.15.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, this is really a simple resolution and as soon as it is passed hon. members will receive copies of the bill. I am not supposed to go into details, and I do not know whether my colleague will agree when I state that what we want is the power to extend the tenure of office of the commissioners beyond ten years. That seems to be the important section.

Mr. Tustin: What will that mean?

Mr. Fournier (Hull): That would take them to 65 or 70 years. There is not very much in the bill, and I do not think we should go on too long before we have the bill.

Mr. Macdonnell (Greenwood): Only three minutes.

Mr. Fournier (Hull): The house can be kept going, as has been evidenced in the past, but generally the house takes more time on more important bills. I am not saying, of course, that this is not important; but it is not one of those major bills that imply a change of policy on the part of the government which would affect the lives of thousands of citizens. Experience has shown that perhaps it would be a good thing if we had the power to extend the term of office of the chairman and the commissioners of the civil service commission, which in my opinion is doing very good work. We can keep it up until 6.15.

Mr. Graydon: You practically have.

Mr. Fournier (Hull): We have time yet.

Mr. Macdonnell (Greenwood): As I understand it I have the floor and the minister has just been interrupting me—

Mr. Fournier (Hull): I thought I was making a speech.

Mr. Macdonnell (Greenwood): —and making part of my speech. My motion is still before you, Mr. Speaker, that we adjourn the debate.

Mr. Fournier (Hull): Then we can take up the other resolution concerning the elections act.

On motion of Mr. Macdonnell (Greenwood) the debate was adjourned.

DOMINION ELECTIONS ACT

AMENDMENT RESPECTING ADVANCE POLLS AND PRISONERS OF WAR VOTING REGULATIONS

Hon. F. G. Bradley (Secretary of State) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Dominion Elections Act to implement the recommendations of the special committee appointed to study the Dominion Elections Act, 1938, embodied in the draft bill prepared by the said committee and *inter alia* to make provision for: (a) a greater number of advance polls; and (b) the Canadian prisoners of war voting regulations, 1951.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, there are a few minutes left before adjournment, and I want to protest most strongly against defamation of the language of the law by some translators. They are crazy, and I say that with reference to the translators of legislation that comes before the House of Commons. I do not know what is wrong with them, but they try to pick out words that are understood by no one. They try to change the legislation completely. Some members protested before the committee and some members are indifferent. The minister knows about the situation. Why is it that some translators, whom I will describe in French as "abrutis, moches et mabouls"—there can be no stronger expression—try to discover words that are understood by no one? Do they suffer from neurasthenia? What kind of disease have they in their brains? They are awful. This kind of legislation has to be applied by many people throughout the country who do not speak English, and

they will not understand the language or the legislation. I hope when the bill comes before the house proper amendments will be brought forward in order that we may go back to the old language which is understood by all and which has been used since confederation.

On motion of Mr. Pouliot the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday we will continue and hope to conclude the debate on the address. Then we will take up third reading of Bill No. 34, an act to amend the Public Printing and Stationery Act. Then we will proceed with Bill No. 30, an act to amend the Supreme Court Act; Bill No. 31, an act to amend the Exchequer Court Act. Then we will take up the resolution in the name of the Secretary of State to amend the Civil Service Act and the other resolution in the name of the same minister to amend the Dominion Elections Act.

At 6.15 p.m. the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Monday, December 3, 1951

The house met at 2.30 p.m.

INDUSTRIAL RELATIONS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. A. F. Macdonald (Edmonton East) presented the second report of the standing committee on industrial relations, and moved that the report be concurred in.

Motion agreed to.

ST. LAWRENCE POWER DEVELOPMENT

AGREEMENT BETWEEN FEDERAL AND ONTARIO GOVERNMENTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it gives me great pleasure to be able to announce to the house that an agreement has been signed with the government of Ontario respecting the development of hydro power in the international rapids section of the St. Lawrence river. I now table two copies of the agreement which will of course have to be submitted for approval both by parliament and by the legislature of Ontario. As hon. members will have ample opportunity to consider its provisions at a later date, I will make only a brief statement now as to its general form and purposes.

The agreement with Ontario has been concluded in the expectation that the United States will not participate in the seaway project, and it has been drawn up on the understanding that the navigation works will be undertaken by the federal government and will be entirely within Canada. It contemplates that Ontario will undertake the power development concurrently with an appropriate agency in the United States.

In such circumstances it is desirable that a firm agreement exist between Canada and Ontario in order that Canadian treaty obligations be fulfilled and that other interests in Canada should be safeguarded.

The undertakings on behalf of Ontario are broadly to develop the power resources of the international rapids section of the St. Lawrence river concurrently with an appropriate authority in the United States in accordance with the plan known as the "controlled single stage project (238-242)". This is the same plan as was advanced and made part of the great lakes-St. Lawrence basin agreement of 1941 between Canada and the United States. However, the agreement provides that this plan may be modified as may be agreed upon between Canada and Ontario.

The Canadian government, for its part, undertakes to do all in its power to obtain the approval of the international joint commission to an application to be made by Ontario in an acceptable form for authority from that international body to construct the necessary works. Under the boundary waters treaty of 1909 this approval would be necessary since the international rapids section of the St. Lawrence river is a boundary water. Canada's undertaking in this respect is qualified, however, to the extent that its action must be consistent with its obligations under the boundary waters treaty and that regard must be had for all Canadian interests in the St. Lawrence river.

Some of the other more important provisions may be enumerated briefly:

1. Canada will transfer to Ontario the administration of such lands belonging to Canada as are required for the project, and Ontario will pay compensation for these except for lands or property forming part of the existing canal system.

2. Ontario will transfer to Canada the administration of such lands belonging to Ontario as are specified by Canada as being required for works to carry a deep waterway in the international rapids section.

3. Ontario will establish a commission to safeguard and enhance scenic beauty and historic associations in the section to whatever extent may be appropriate.

It is recognized that before all the arrangements are consummated, as contemplated in this agreement, the great lakes-St. Lawrence basin agreement of 1941 between Canada and the United States may be approved by congress and by parliament. In that event, it would be the intention of the government to reconsider with the government of Ontario the terms of the agreement signed today and to modify them in recognition of the arrangements that would then exist between Canada and the United States with respect to the seaway project.

DEFENCE PRODUCTION

INDUSTRIAL PERSONNEL—NATIONAL SECURITY MEASURES

Right Hon. L. S. St. Laurent (Prime Minister): I should like to make a statement with respect to the security measures that have to be taken in connection with defence contracts. The hon. member for York West (Mr. Adamson) spoke in the debate on the address on Wednesday, November 28, of this matter, which is of general concern, and about which I think hon. members might wish to have a statement from the government. It has to do with the problem of safeguarding secret information in industries engaged on defence production.

The hon. member referred to the case of a Mr. George R. Jackson who was recently released from employment by the A. V. Roe Company. Mr. Jackson's case is currently being reviewed and I do not intend to deal with it now. It is the general problem about which I wish to say something.

I think the hon. member for York West has done a service in bringing this matter forward in the serious way he did. The government has to deal with a lot of difficult and unpleasant problems in the conditions of today and of these one of the most difficult, and certainly one of the most unpleasant, is trying to assess the reliability of people who deal or may have to deal with vital defence matters.

As a part of our defence program, contracts have to be placed for the production of various types of equipment, and in many cases this involves the use of details of a highly secret character; secrets which in many cases belong as much to other governments as to our own. Now there are people both in this country and outside who are very anxious to obtain such secrets and who are making constant efforts to find out as much about them as they can. It is, accordingly, vital that no risks be taken which can be reasonably avoided with the security of such defence items. The government is responsible for protecting their secrecy in so far as this country is concerned.

For that reason, any company entering into a contract for the production of defence equipment in Canada must agree that it will exclude from access to secret material any persons about whose reliability the government has any serious doubt. This means that in cases where an individual's background, particularly any associations with communist or pro-communist organizations, or his present associations or even, in some cases, some instability or other qualities of character raise doubts as to the security of secret matters placed in his hands, then that person must not be allowed access to any secret or vital defence items. It is not possible to give the individual the benefit of the doubt. Reliability for security is not the sort of thing about which conclusive proof one way or the other is usually possible. Sometimes it is, but more often it is a matter of judgment based on all the information that is available. Where the national security is involved, the government simply cannot take the position that defence secrets are to be available to everyone against whom a cut and dried case cannot be made.

The reliability of the overwhelming majority of industrial employees in Canada is beyond doubt. In the case of the few who cannot be said with certainty to be reliable, the government has always to consider two things: the need to avoid doing any injury to an individual and the protection of material vital to the security of this country.

In cases where it is considered that the security of secret material might be endangered by giving a particular individual access to it, the company employing him is informed that such access cannot be allowed. The company is not instructed to dismiss him. I want particularly to emphasize this because there have been statements to the contrary both in the Jackson case and on other occasions. Neither the Department of Defence Production nor any other agency of the government has instructed a company to dismiss an employee for security reasons. A decision that a person should not be entrusted with secret information is not a decision that he is disloyal, and it does not mean that he should be dismissed. It simply means what I have said—that he should not have access to secret information.

There are usually positions in a plant that do not involve security, and transfers to them can be made. It may happen that in some plants which are engaged wholly on defence work such transfers are impossible, for one reason or another. In those cases the company is faced with the choice of releasing the individual or giving up its contract. These are the most difficult cases to handle. It may be that in all instances companies have not done their utmost to find means of making transfers. The importance of always doing so is being brought to their attention. Employers should always try to avoid dismissals if at all possible. They have a duty not to increase the difficulties or disabilities of persons whose only misfortune is that their

reliability is open to question. It is very important that such persons should not be branded as disloyal.

What I want to make clear, however, is that the decision of the government is solely whether it can or cannot risk the security of some vital matter by allowing a particular person to have access to it. It is up to the employing company to decide what to do about the particular employees who cannot be allowed access to the secret material.

I have dealt thus far with the nature of the problem and the character of the task that the government attempts to perform in protecting the security of defence production. The procedure in handling the matter is also a problem.

The hon. member for York West suggested, as others commenting on this matter have suggested, that there should be a board or panel to hear representations from individuals before decisions are taken as to their reliability for security. This suggestion appeals to most fair-minded people because it seems to accord with the general principles on which we proceed in dealing with charges or claims against a man in criminal or civil law and in other instances. There are, however, particular considerations that have to be weighed on the other side.

In the first place, the assessment of the reliability of a person does not necessarily, or even usually, involve anything that could be regarded as "charges" against him. Decisions on reliability are taken every day in the public service and, indeed, in business and in almost every sort of organization. Most hon. members will at one time or another have been in a position where they have to decide whether they could or could not rely on a particular person in some important matter.

The only thing that distinguishes the cases I am talking about is that in defence production, and more particularly in the development stage of defence production, some methods and processes are of enormous importance and their betrayal could do injury to the whole nation. Reliability is more critically important than in most other circumstances. The question at issue is not guilt or innocence of some particular charge. The sole question is whether a certain person can or cannot be entrusted with secret defence material. It would give a completely false atmosphere to the matter if it were assumed that reliability can somehow be put beyond doubt by meeting formal charges—or indeed, that reliability cannot be brought into doubt except on the basis of formal charges. Assessment of character may be the only consideration in some instances. That is not a matter of charges, or of trial or of proof. It is a matter of judgment.

A second consideration to be borne in mind is that in dealing with reliability in defence production we are not in the realm of what have come to be called "human rights" and "fundamental freedoms". There is no human right or fundamental freedom involved. No person has a right of access to secret defence items, and no man's freedom is infringed when he is denied such access. In a particular case a company may decide that it has no place where it can employ a man who cannot be given access to defence matters. In such a case the man's job becomes involved. Where that is so, it is always possible for a company to ask that a case be reviewed to see if the decision cannot be reversed, and the government is always ready to make such a review. But in the last analysis, the question for the government and the question it must decide is whether it is or is not satisfied that there would be no risk to the security of some secret material or process by letting a certain person have access to it. No outside panel or board can take that responsibility. No matter how much the government might like to be relieved of this very unpleasant duty no government would have the right to shift to others the responsibility for the security of our defence secrets.

There is a further consideration of an entirely different order that is also relevant. It is that hearings could and probably would compromise our general security precautions. Some of the people about whose access to secret material we have to be most concerned operate in the interests of an organization that is skilfully and tightly bound together. This organization acts with a ruthlessness and a readiness to sacrifice its own followers, which we find it almost impossible to appreciate. It is only by careful, long continued and patient work that means have been established by our police forces of getting information about the operations of this organization. The organization would be more than ready to precipitate hearings involving their own followers, even if it meant the personal ruin of those individuals, if the hearings would lay bare the sources of information that the police have established. If hearings were held, the information as to the background or other considerations causing doubt about an individual would have to be revealed. I do not see how a "hearing" could be regarded as serving any purpose if that were not so. More than that, it would be argued that the validity of such information or the grounds for doubt could not be assessed nor could any "charges" be properly refuted unless the kind and sources

of information were disclosed, the informants questioned, and so forth. If that were done in even two or three instances, they might be sufficient to nullify, in very short order, such security defences as we have been able to build up after years of painstaking effort. The well-organized opponents of our way of life would be more than ready to sacrifice a good many of their supporters to gain the kind of information that hearings would inevitably reveal.

For the reasons I have given, the government has thus far taken the view that no one has a valid claim to be given a hearing before he is denied access to secret defence material or processes of defence production. It has considered that a system of hearings should not be instituted. This means, of course, that the responsibility of the government is the greater to see that every case is carefully assessed and that no decisions as to the reliability of an individual are lightly taken. They are not lightly taken. Moreover, the cases can always be re-examined and the government will have no reluctance about reversing an original decision if further review suggests that it can safely be reversed. This whole matter is, however, distorted and seen in a false light, if it is confused with loyalty and thought of in terms of specific, provable or disprovable charges. You can doubt the reliability of a man for the security of some vital defence matter without considering him to be disloyal. You can continue to doubt no matter how much he argues or protests.

The problem that is thrust on the government of assessing the reliability of employees in defence industries, and occasionally of deciding in some case that reliability is uncertain, is not a pleasant one. In the present state of things it is, however, an unavoidable one. It is the government itself which is and must be answerable for the security of our defence secrets. The government is, however, fully aware of the importance of ensuring in so far as possible that no injury is done to any individual through the decisions that must be taken. Security procedures are constantly under review, and if they can be improved, the government will always be ready to make the improvements and will always welcome and seriously consider constructive suggestions to that end.

NORTH ATLANTIC TREATY

STATEMENT FOLLOWING MEETING OF COUNCIL

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, it is usual for a statement to be made in this house when a minister returns from an international conference of major importance. The eighth meeting of the North Atlantic council concluded at Rome last week. This was the first meeting attended by the supreme commander, General Eisenhower, and the meeting met under the inspiration of his personality. At the conclusion of its business, the council of twelve nations agreed on a statement to be made public. Because of the nature of the meeting and of the business transacted there, and also because my colleagues, the Minister of Finance (Mr. Abbott) and the Secretary of State for External Affairs (Mr. Pearson), as well as myself, have not yet had an opportunity to report to the government, it is not possible to go into greater detail than is contained in this statement. For the convenience of hon. members, however, I should like to table a copy of the statement that was issued in Rome.

CANADA'S CONTRIBUTION TO EUROPEAN DEFENCE—REFERENCE TO STATEMENTS IN "HANSARD"

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, while during these last two weeks I have been out of sight here, apparently, judging from *Hansard*, I have not been entirely forgotten. I feel that at this time the house would expect from me a word of personal explanation of matters arising out of press reports published in my absence. I have read the *Hansard* references and most of the press reports, but I do not intend to enter into details—that has already been covered here—and I certainly do not mean to indulge in any recriminations. My real purpose is to assure the house that I had no intention of making announcements in Europe of new policies of which hon. members had not been informed in this chamber.

I made references to accommodation for our troops and to airfields, and no doubt those matters were much less familiar to some hon. members and members of the press than I had supposed; and it may be that there was some justification for a feeling that some kind of announcement of new policy had been made. I am sorry indeed if any answers I gave to questions created the impression that I was making important announcements outside the house. I have always tried to give the house all possible information on defence matters and, when the house is in session, to make all statements of major new developments and new policies in this chamber.

On looking over the reports, I think I can understand how the misunderstanding arose. As hon. members had been informed, the decision to dispatch the 27th Canadian infantry brigade group was not taken until the government had been assured that temporary accommodation was available. That temporary accommodation would have to be

replaced by new accommodation. It is a fact, not a policy, that troops must be housed. As for airfields for the use of our air squadrons, hon. members had already been informed that airfields were not available on the continent, and that pending their availability, Canadian squadrons would be stationed in the United Kingdom at North Luffenham. Consequently, it was known that airfields would have to be provided on the continent.

We knew also that, in accord with the policy that parliament had accepted that Canada should do its share in NATO, we would also have to participate in meeting the costs of infrastructure—to use that horrible expression. To me that appeared to be a statement of a situation, of a condition, of a fact, and not of a policy.

Indeed it was not possible for me to state a new policy because the government had not yet decided upon one; and the government had not yet decided upon policy because the North Atlantic treaty nations concerned had not and have not yet fully worked out an agreement as to precisely how this should be done or how the over-all costs should be shared. That is one of the matters we discussed on the other side and it is a matter that was under active discussion in connection with the Rome meeting, and it is still under the most active consideration at Paris.

There is also the question of working out arrangements for accommodation and other facilities in Germany when the occupation statute is converted into an agreement. This is under consideration by the three occupying powers and the German government today.

Consequently, it is not possible either to announce a policy or to give any details or estimates of the over-all costs that might be involved. Just as soon as firm arrangements are worked out with the other countries concerned, they will be announced.

Against this background I repeat that I am indeed sorry if any hon. member feels that I was discussing new policies of which the house had not been informed and I assure you, sir, I had no such intention. Now that the smoke has cleared from the atmosphere here and elsewhere, I must leave it to hon. members themselves to decide in the light of the real facts whether I did or not.

Mr. Graydon: May I ask the minister if he is in a position to indicate what our commitments are with respect to military installations on the continent?

Mr. Claxton: No. I have just said that I am not.

Mr. Graydon: Then the press report of four or five airdromes and landing fields is incorrect?

Mr. Claxton: We will need four or five airfields to furnish our eleven squadrons with flying facilities. We will also need housing accommodation. But how much will be needed, where it will be located or what it will cost, we are in no position to say today.

Mr. Green: May I ask the minister this question? Is the construction or purchase to be at the cost of Canada?

Mr. Claxton: Of Canada?

Mr. Green: Yes.

Mr. Claxton: I am not in a position to say that. I can go this far and say that part of the cost will form part of the costs that will be shared by all North Atlantic treaty nations in accordance with an agreed formula. Part of it may have to be borne directly by us. Preliminary estimates of the most tentative character would indicate that whichever course is followed would not make much financial difference to us.

Mr. Green: Is Canada proceeding at once with the construction of barracks and the construction of airfields in Germany?

An hon. Member: We are not in committee.

Mr. Claxton: I cannot go much further than I have gone, Mr. Speaker. We are at present occupying temporary accommodation for the 27th infantry brigade group in Germany. That will have to be relinquished at some future date and we will have to make arrangements for construction of accommodation for the brigade group in Germany. What those arrangements will be, who will do the construction, and how the payments will be made, remains to be worked out not only as between ourselves and the three occupying powers but as between the three occupying powers and Germany.

Mr. Green: What about airfields?

Some hon. Members: Order.

Mr. Claxton: The position with regard to airfields is similar, but there the probability is that all airfields will be located outside Germany and probably in France. Arrangements therefore will have to be made with SHAPE for the location and development of the airfields and the sharing of costs in so far as they are to be shared and then in all probability either through SHAPE or directly with the French government for accommodation.

Mr. Green: May I ask the minister whether any request was made that Canada should increase her number of troops in Europe from a brigade to a division?

Mr. Claxton: I am not in a position to discuss that matter on this statement.

Mr. Wright: I should like to ask the minister a supplementary question. Does he expect that it will be possible to have a full discussion on this matter before the session ends?

Mr. Claxton: That will depend on the course of discussions that are going on at Paris.

LABOUR CONDITIONS

TABLING OF TEXT OF CONVENTIONS AND RECOMMENDATIONS

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, in conformity with the provisions of article 19, subsection 5, of the constitution of the international labour organization, I desire to lay on the table the authentic text of the following conventions and recommendations which were adopted by the international labour conference at its 34th session held at Geneva in June, 1951, together with a copy of a letter from the deputy minister of justice setting out the legislative jurisdiction for each of these conventions and recommendations:

Convention No. 99 concerning minimum wage-fixing machinery in agriculture.

Convention No. 100 concerning equal remuneration for men and women workers for work of equal value.

Recommendation No. 89 concerning minimum wage-fixing machinery in agriculture.

Recommendation No. 90 concerning the question of equal remuneration for men and women workers for work of equal value.

Recommendation No. 91 concerning collective agreements.

Recommendation No. 92 concerning voluntary conciliation and arbitration.

DEFENCE EXPENDITURES

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Quelch be substituted for that of Mr. Thomas; and

That the name of Mr. Wright be substituted for that of Mr. Stewart (Winnipeg North) on the special committee on defence expenditures.

Motion agreed to.

REVISED STATUTES OF CANADA

AMENDMENT TO PROVIDE FOR SUPPLEMENTARY VOLUME

Hon. Stuart S. Garson (Minister of Justice) moved for leave to introduce Bill No. 32, an act to amend an act respecting the Revised Statutes of Canada.

Mr. Knowles: Explain.

[Mr. Claxton.]

Mr. Garson: The purpose of this bill is to authorize the statute revision commission to prepare a supplementary volume as part of the new revised statutes to contain any statutes that may be enacted between the time of going to press and the time of the appearance of the newly revised statutes.

Motion agreed to and bill read the first time.

QUESTIONS

IMMIGRATION—PLACEMENT SERVICE—COST OF MOVEMENT

Mr. Churchill:

1. Is the Department of Citizenship and Immigration operating a placement service for immigrants?
2. Does the national employment service also operate a placement service for immigrants?
3. Does the Department of Citizenship and Immigration, and also the Department of Labour, have officials in the field seeking places of employment for immigrants?
4. If so, how many officials, and in what areas?
5. What is the division of responsibility between the two departments in placing immigrants?
6. Do the departments above-mentioned absorb the cost of movement of immigrants from the point of entry into Canada to the point of employment?
7. Does the Department of Citizenship and Immigration or the Department of Labour seek co-operation of or consult with provincial governments in placing immigrants?

Mr. Harris (Grey-Bruce):

1. The Department of Citizenship and Immigration operates a settlement service for the purpose of locating and developing suitable opportunities for immigrants who come to Canada to settle on farms, or establish small businesses of their own. The department also helps immigrants secure employment, and handles applications from employers for immigrant workers.

2. The facilities of the national employment service are available to, and used by, immigrant workers. Employment office officials keep in close touch with the hostels and assist in referring immigrant workers to prospective employers.

3. See answers to Nos. 1 and 2.

4. The immigration branch of the Department of Citizenship and Immigration has one settlement officer at each of the following locations: Vancouver, Edmonton, Regina, Winnipeg, London, Toronto, Montreal, Quebec and Halifax. These officers are assisted, as required, by immigration inspectors and other staff of the immigration branch throughout the dominion.

In national employment offices certain placement officials have the duty of keeping in close contact with employers in their area in order that they may advise the employers where workmen can be obtained to meet their needs. The total number of placement officers

in the national employment service varies, depending upon the season of the year. When the claim load is great the duties of the placement officers change in some instances and the staff of the unemployment insurance commission works as a unit as between duties applying to unemployment insurance and placement work. The total number of men and women engaged on placement work in Canada varies from approximately 900 to 1,200.

5. The whole immigration movement is primarily the responsibility of the Department of Citizenship and Immigration. This involves development of settlement opportunities in Canada, recruitment and selection overseas, admission, assistance in becoming established, and integration into Canadian society with attainment of full Canadian citizenship as the objective.

As stated in the answer to No. 1, the settlement service of the immigration branch, Department of Citizenship and Immigration, locates and develops farm and business opportunities. The national employment service places immigrants brought in under group or bulk movements to meet general labour shortages, or the needs of employers who apply to the labour department for the admission of a number of workers. The facilities of both departments are available to the large body of immigrants, should they be seeking employment, thus placing a widespread placement or settlement service at their disposal. The whole operation is recognized as one which can best be carried out by the closest possible co-operation between the two departments. The facilities of the national employment service are available to immigrants as well as other residents of Canada.

6. The department of citizenship has been authorized to provide for the absorption of the cost of inland rail transportation west of Winnipeg for immigrants who come to Canada under the assisted passage loan scheme who remain for one year in the class of employment for which they were selected.

The Department of Labour absorbs the cost of inland transportation for immigrant domestics, and farm workers who are brought forward in group movements.

7. Yes.

IMMIGRATION—PASSAGE FARES, GROUP MOVEMENTS, ETC.

Mr. Churchill:

With reference to immigrants entering Canada since January 1, 1951, and by country of origin:

1. How many paid their own fare?
2. How many had their fare paid by the international refugee organization?
3. How many had fares paid by sponsors in Canada?
4. How many received assisted passage loans?

94699—97½

Questions

5. How many were brought in under group movements by (a) the Department of Citizenship and Immigration; (b) the Department of Labour?
6. How many immigrants entered Canada who did not fall into any of the above classes?

Mr. Harris (Grey-Bruce):

(To September 30, 1951)

1. 82,700.
2. 18,844.
3. 15,287 (prepaid passages).
4. 6,202.

5. Group movements include bulk movements to meet a general shortage of labour, and applications from employers for a specific number of workers. Such applications from employers may be made to the Department of Labour or the Department of Citizenship and Immigration, but with the exception of those admissible classes covered by sections 1, 2 and 3 of order in council P.C. 2856, dated 9 June, 1950, they are cleared with the other department before being approved. It is not possible to divide the total group movement to indicate the number "brought in" by either department, but the total is 14,564. Most of these immigrants could be considered as having been brought in under the auspices of the Department of Labour.

6. 6,852 (not falling within classes 1 to 4 inclusive. The group movement figures are included in the other answers).

Note: With the consent of the member the various parts have not been broken down into countries of origin.

IMMIGRATION—DIRECTED EMPLOYMENT IN CANADA—DISPLACED PERSONS

Mr. Churchill:

1. Do sponsored or nominated immigrants sign an agreement to take directed employment?
2. If so, of those who have signed agreements to take directed employment, how many have carried out their agreements under the following categories with respect to the years 1949, 1950, 1951 (a) skilled machinists; (b) bush workers; (c) mine workers; (d) farm workers; (e) domestic workers; (f) other categories?
3. How many in the above categories have been brought in by the Department of Citizenship and Immigration, and how many by the Department of Labour, since January 1, 1951?
4. Is refusal or failure to carry out an agreement to take directed employment a deportable offence and, if not, is there any other penalty?
5. Are the penalties exacted? If so, in how many cases for each of the years 1949, 1950 and 1951?
6. Has the Department of Labour followed the practice of demanding $150 (less $12.50 a month worked on contract) from d.p.'s in directed employment? If so, under what authority has this been done?
7. Has the Department of Citizenship and Immigration followed the practice indicated in (6) above?
8. How many cases have occurred in (6) and (7) above?

Questions

Mr. Harris (Grey-Bruce):

1. No.

2 to 5. Not applicable in view of answer to No. 1.

6. Yes. When arrangements were first made in 1947 with the international refugee organization for the group movement of displaced persons it was provided that workers who failed to fulfil their voluntary undertaking to the Minister of Labour would be required as a deterrent to pay $150 less a credit of $12.50 for each month which they did work in accordance with the voluntary undertaking.

7. D.p.'s who came forward in bulk movements to directed employment have all been handled by the Department of Labour.

8. (6) 1949-50, 445; 1950-51, 155; 1951-52, 59; (7) not applicable.

FILM BOARD—"HOW TO BUILD AN IGLOO"

Mr. Charlton:

1. What was the total cost for the production of the national film board picture, "How to Build an Igloo?"

2. What distribution has there been on this film to date?

Mr. Winters:

1. $2,831.01.

2. This film was made from purchased footage and released early in 1950. Prints placed in circulation are as follows: Canada, non-theatrical and circuit prints—69; abroad, through various non-commercial channels—61. In addition 96 prints of the film have been sold in Canada and abroad. Audience totals are reported only in respect to non-theatrical distribution in Canada, the total to August 31, 1951, being 242,345. This film is also in active circulation on a contract with Times Television Inc., New York, through television channels in the U.S.A., and has been televised on 12 stations to date.

ARMED FORCES—ENLISTMENTS AND DISCHARGES, 1951

Mr. Catherwood:

1. What has been the total combined enlistments in the three branches of the armed services for the first ten months of 1951?

2. Of this number, how many have been discharged from military service during the same period?

3. What proportion of the above-mentioned enlistments were for the army?

Mr. Claxton:

1. 32,817.

2. 1,978.

3. 56.5 per cent.

INDUSTRIAL AND OFFICE WORKERS—WEEKLY WORK PERIODS

Mr. Knowles:

1. Has the government any statistics as to the number of (a) industrial workers; (b) office workers now on (i) a five-day week; (ii) a five and a half day week; (iii) a six-day week?

2. If so, what are the numbers of each of the above groups of workers who are working for each of the periods indicated above?

Mr. Cote (Verdun-La Salle):

1. Yes.

2.

Distribution of plant and office employees working a five-day and more than five-day week based on 1950 Department of Labour survey.

Industries	Plant Workers		Office Workers		Total covered by Dept. of Labour survey	Total in industry (labour force survey)
	5-day week	Week of more than 5 days	5-day week	Week of more than 5 days		
Manufacturing	468,000	256,000	94,000	41,000	859,000	1,261,000
Trade	34,000	107,000	13,000	40,000	194,000	518,000
Service	4,000	31,000	.....	.....	35,000	781,000
Mining	21,000	49,000	.....	.....	70,000	78,000
Forestry	10,000	67,000	.....	.....	77,000	96,000
Totals	537,000	510,000	107,000	81,000	1,235,000	2,734,000

Note: The Department of Labour annual survey is based on returns made by approximately 16,000 establishments having 15 or more employees, each.

The extent to which the five-day week applies to workers not covered by this survey is not known.

Complete statistics are not available on workers in construction, transportation or in agriculture. In transportation there are approximately 155,000 workers in steam railways on the five-day week, while in agriculture there are more than 100,000 paid workers, very few of whom are on the five-day week.

Questions

PURCHASE OF SEMINARY FOR USE OF R.C.M.P.

Mr. Hodgson:

1. Has the government purchased the seminary in the vicinity of Overbrook for the use of the Royal Canadian Mounted Police?

2. If so, how much was paid, and what were the terms of purchase?

Mr. Fournier (Hull):

1. No.

2. Answered by No. 1.

WAR VETERANS ALLOWANCE APPLICATIONS

Mr. Brooks:

1. How many applications for war veterans allowance were (a) received; (b) granted; (c) rejected, in each of the eighteen district offices (W.V.A.) between dates October 1, 1950, to October 1, 1951?

2. Of those rejected (a) how many were appealed to the war veterans allowance board from each district; (b) how many subsequently granted by the board from each district?

Mr. Mutch:

October 1, 1950 to September 30, 1951

1 and 2.

District Centre	No. of applications (a) received	(b) granted	(c) rejected	No. of rejections (a) appealed	(b) granted
St. John's, Nfld.	246	159	174	47	12
Charlottetown, P.E.I.	117	66	43	18	—
Halifax, N.S.	586	327	259	103	15
Saint John, N.B.	422	287	253	86	14
Quebec, Que.	162	79	48	8	2
Montreal, Que.	854	531	283	42	7
Ottawa, Ont.	319	180	125	27	2
Kingston, Ont.	299	227	91	23	6
Toronto, Ont.	1,403	935	625	47	4
Hamilton, Ont.	500	318	177	15	3
London, Ont.	532	407	182	21	3
North Bay, Ont.	191	148	72	10	2
Winnipeg, Man.	757	509	204	38	6
Regina, Sask.	178	147	43	15	1
Saskatoon, Sask.	180	131	52	13	—
Calgary, Alta.	239	205	76	20	7
Edmonton, Alta.	347	247	114	13	3
Vancouver, B.C.	1,244	1,320	390	66	17
Victoria, B.C.	368	391	101	15	5
Total	8,944	6,614	3,312	627	109

Note. To complement the figures given in answer to part 1 and part 2 (a) it is necessary to give the following additional information:

Part 1.	Applications in process October 1, 1950	2,722	
	Applications received October 1, 1950, to September 30, 1951	8,944	11,666
	Applications withdrawn or ineligible	708	
	Applications granted	6,614	
	Applications rejected	3,312	
	Applications in process September 30, 1951	1,032	11,666

Part 2. (a) 50 cases which have been appealed were in process on September 30, 1951.

MR. ROY G. PEERS

Mr. Hodgson:

1. Has Roy G. Peers of the city of Montreal, Quebec, been named vice-president of Canadian Commercial Corporation?

2. Where is the said Roy G. Peers presently located, and what are his duties?

3. Is the said Roy G. Peers and one R. G. Peers, named as vice-president of the Ming Sung Industrial Company of Canada Limited, one and the same person?

Mr. McIlraith:

1. Yes.

2. Mr. Peers is located in Washington. He was appointed to facilitate the integration of the Canadian and United States defence production effort and to make known in appropriate quarters in the United States the availability of productive facilities in Canada for defence work.

3. Yes. Mr. Peers severed his connection with the Ming Sung Industrial Company of Canada as of August 1, 1951.

PERMITS FOR BUTTER IMPORT

Mr. Fraser:

What are the names of the four firms to which permits were issued for the importation of butter, during the year 1951?

Mr. McIlraith:

F. Griffin, Board of Trade building, Montreal, P.Q.; Loblaw Groceterias Co., Ltd., Fleet and Bathurst streets, Toronto, Ont.; Lovell & Christmas (Canada) Ltd., 160 King street, Montreal, P.Q.; Olive & Dorion Ltd., 722 St. Paul street, Montreal, P.Q.

SUBSIDIES TO PACKERS OF APPLE JUICE

Mr. Diefenbaker:

1. Have any subsidies been paid, advanced or promised to be paid, during the present year, to packers of apple juice?
2. If so, what are the names of the companies that will benefit and what is the amount of the anticipated expenditure during the current year?

Mr. Gardiner:

1. No.

2. Answered by No. 1.

C.P.R. AND C.N.R., SASKATCHEWAN—MILEAGE AND GRAIN TRANSPORTATION, ETC.

Mr. Helme:

1. What mileage of railway in the province of Saskatchewan is owned and operated by (a) Canadian Pacific Railway; (b) Canadian National Railways?
2. What country elevator storage space in the province of Saskatchewan is located on (a) Canadian Pacific Railway; (b) Canadian National Railways?
3. How many bushels of wheat, oats, barley, rye and flax were moved from country elevators in the province of Saskatchewan to terminal elevators, during the period August 1, 1951, to October 31, 1951, by (a) Canadian Pacific Railway; (b) Canadian National Railways?

Mr. McIlraith:

1. (a) and (b).

Single track mileage in province of Saskatchewan, end of 1950: Operated by Canadian Pacific Railway 4,520 miles; Owned by Canadian Pacific Railway 4,329 miles. Operated by Canadian National Railways 4,411 miles; Owned by Canadian National Railways 4,410 miles.

2. Elevator storage space in the province of Saskatchewan is located on (a) Canadian Pacific Railway 76,520,400 bushels; (b) Canadian National Railways 73,839,000 bushels.

3. Adjusted car loadings in the province of Saskatchewan for the period August 1, 1951, to October 31, 1951 are as follows:

(a) Canadian Pacific Railway: Wheat 19,537 carloads; other grains 4,310 carloads.

[Mr. McIlraith.]

(b) Canadian National Railways: Wheat 21,041 carloads; other grains 4,171 carloads.

The railway companies compile their returns by railway districts which in some cases overlap provincial boundaries. These figures have been adjusted by the board of grain commissioners and should be considered as an estimate.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MANITOBA AND BRITISH COLUMBIA FLOODS—ASSISTANCE GRANTS

Mr. Low:

1. How much did the Department of National Defence charge the province of Manitoba for assistance provided by that department, during the flood of 1950?
2. Was the bill paid by the province of Manitoba? If so, when?
3. How much did the Canadian government pay to the province of Manitoba as a grant to assist the province in meeting the expenditures involved in the 1950 flood?
4. How much did the Department of National Defence charge the province of British Columbia for assistance provided by that department, during the flood of 1949?
5. Was the bill paid by the province of British Columbia? If so, when?
6. How much did the Canadian government pay to the province of British Columbia as a grant to assist the province in meeting the expenditures involved in the 1949 flood?

MAINTENANCE OF LAURIER HOUSE AND KINGSMERE

Mr. Hodgson:

1. How much money was bequeathed by the late Right Hon. W. L. Mackenzie King for the maintenance of Laurier house and Kingsmere?
2. What is the cost monthly of maintaining each establishment including light, heat, telephone and staff?
3. Who are employed by the government on each property, what is the salary of each, and their office hours?
4. How much money was spent on each of the said properties since they have been taken over by the government?

AGRICULTURAL PRODUCTS—PRICES

Mr. Wright:

1. What was the ceiling price, support price and average market price of the following agricultural products in the period 1943, 1944, 1945 (a) eggs; (b) cheese; (c) butter; (d) whole milk; (e) hogs; (f) apples; (g) potatoes?
2. Are there floor prices established for any of these products today?
3. If so, what are these floor prices?

Mr. Sinclair: This question asks for the ceiling price of a number of commodities. In the years in question the wartime prices and trade board had a great number of ceiling prices on these goods depending on the locality and time of the year. I have discussed the question with the hon. member; he has agreed that he does not want

a great deal of clerical work to be done, and has agreed to drop the request for the ceiling prices. Otherwise, the question is an order for return.

Mr. Speaker: Order for return.

CHINA

REPORTED CRUELTY IN TREATMENT OF CANADIAN MISSIONARIES

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to direct an inquiry to the Prime Minister, notice of which I gave him earlier in the day. Is he in a position to say what official word has been received as to the reportedly harsh and cruel treatment being accorded to Canadian missionaries in red China?

Right Hon. L. S. St. Laurent (Prime Minister): Unfortunately, I am not in a position to give any information about the events that have been reported in the press as having taken place over the last two or three days. It will be remembered that on April 16 the Secretary of State for External Affairs (Mr. Pearson) made a statement in the house regarding the situation of five Canadian sisters of the Immaculate Conception who had been arrested by the Chinese communists in Canton. It was at that time hoped that representations made by the United Kingdom chargé d'affaires in Peking on their behalf as well as on behalf of other Canadian citizens held in custody would bring an improvement in their condition. Well, we are informed that no such improvement occurred, and the chargé d'affaires made further strong representations to the Peking government on September 1, and on September 10, when parliament was not in session, the department issued a press release. Perhaps it might help if for the convenience of hon. members I tabled a copy of the press release containing the information that was available up to that time.

During the past two days news services have carried stories of the formal prosecution and sentencing of the five nuns at so-called public trials on December 1. According to these reports, Sister St. Alphonse du Redempteur, (Antoinette Couvrette, born at Ste. Dorothée, Quebec) and Sister Marie-Germaine (Germaine Gravel of St. Pasteur, Quebec) were sentenced to five years' imprisonment. Sister Ste. Foy (Elizabeth Lemire of La Baie du Febvre, Quebec), Sister St. Victor (Germaine Tanguay, born in Acton Vale, Quebec) and Sister Ste. Germaine (Imelda Laperriere of Pont Rouge, Quebec) were ordered to be deported from China. The Canadian government has no official confirmation as yet of these reports.

We know that the five nuns have been in a Canton prison since March of this year when they were arrested on what was considered to be the fantastic charge of being responsible for the deaths between October 14, 1949, and January 14, 1951, of over two thousand children who had been receiving care in their orphanage. Their arrests followed upon Canton newspaper stories and the demands of women's organizations that they be severely punished for the maltreatment and murder of children. It may be true that quite a large number of children have died at the orphanage, but the Chinese authorities chose to ignore the fact that the majority of the children brought to the sisters were already ailing and beyond hope of recovery when accepted by them. The sisters consistently accepted all children brought to them for help, whatever their condition was at that time, and no matter what were their chances for survival.

As I have already said, no official report regarding the trial of the five nuns has yet been received in Canada, and it is possible that it may be difficult to secure any accurate and reliable information about the so-called trials. I can assure the house that everything possible will be done to help these unfortunate sisters without bringing more harm on them or other Canadians who are being detained by the Chinese communists at this time. I think that the order of expulsion may be perhaps the most happy denouement, and it would be unfortunate if anything we said or did brought about, as has happened in the past, revocation of the order of expulsion, or the placing of difficulties in the quitting of the country.

The house will be shocked and indignant at the treatment which has apparently been meted out to a group of missionaries who for years have consecrated their lives to the care of orphan children in China; but it will be at the same time sensitive to the extreme delicacy of the situation and the necessity of avoiding any act or word which may add to their present distress. Within the next few days we hope to have more definite information on the whereabouts of the three nuns whose expulsion has been ordered, and on the situation of the two who have been sentenced to terms of imprisonment. We are hopeful that we may, through the British authorities in Hong Kong, be able to get information from and about these nuns, because we presume that they would go through Hong Kong on their way out of the country. I shall naturally keep the house informed of anything that we can regard as accurate in the way of information about them.

Inquiries of the Ministry

GRAIN

ASSISTANCE TO FARMERS—PAYMENTS ON FARM STORED GRAIN, ETC.

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the radio news reports concerning an announcement made by the Minister of Trade and Commerce (Mr. Howe) in the west over the week end, can the Prime Minister say whether legislation will be introduced at this session to provide payments on farm stored grain and financial assistance to farmers with grain out under the snow?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I am not in a position to do that. I have already told the hon. member that we were having the matter investigated, and that just as soon as we had come to a decision I would hasten to apprise the house of it. It will not be expedited by repeating the question. I will not forget his anxiety to have the information, and will bring it down just as soon as we reach a conclusion about it.

Mr. Argue: I think I should tell the Prime Minister—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Argue: —that according to the radio news reports the Minister of Trade and Commerce has already announced such a provision.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—SITE OF DAM—MEETINGS OF COMMISSION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Prime Minister. It has to do with a report regarding the Saskatchewan river dam irrigation commission. Has the government advised that commission that the site of the dam on the Saskatchewan river was not finally determined by the government engineers? As a result of so being advised, has the commission ceased its meetings for the time being?

Right Hon. L. S. St. Laurent (Prime Minister): That is all news to me, Mr. Speaker. We made available to the commission all the data that was in the possession of the government with respect to the engineering possibilities of that project. I was under the impression that it had been fully established by competent engineers that it was feasible, and that the only remaining question was whether or not it would constitute, as to its cost, a prudent investment of national funds.

Mr. Diefenbaker: I have not made myself clear. Did the government, in the report given to the commission, inform the commission as to the location on the Saskatchewan river where the dam would be constructed provided the government went ahead with it?

Mr. St. Laurent: Well, I will have to take that as a notice. I was under the impression that all the engineering features had been disposed of. There was not, to my knowledge, any communication about those engineering features, other than what was contained in the engineering reports that were made available.

Mr. Diefenbaker: And that did determine location.

Mr. St. Laurent: Whether or not that did definitely determine location is something I would have to inquire about. I cannot say at the moment.

PUBLIC WORKS

ALEXANDER AVENUE WHARF, WINNIPEG, MAN.

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Public Works. Has the government received representations from the Winnipeg and St. Boniface harbour commissioners asking that the Alexander Avenue wharf, on the Red river at Winnipeg, be enlarged to meet the increased demand for dockage facilities? Will consideration be given to extending this wharf at an early date?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I wonder if the hon. member would be kind enough to let this stand as a notice. I will seek the information from my officials, and when I receive it I shall give the answer.

Mr. Knowles: I shall be glad to do so. However, may I say that I sent notice to the minister earlier today. Apparently it did not reach him.

Mr. Mutch: You have had the letter a week.

FINANCE

NON-DEFENCE EXPENDITURES—QUESTION AS TO EMPLOYMENT OF EFFICIENCY COMPANY

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to ask a question of the parliamentary assistant to the Minister of

Finance, of which I have given notice. In view of the fact that the press release of the Acting Minister of Finance of November 24 last shows an increase in non-defence expenditures of $37·7 million in the first seven months of the current year—

Mr. Speaker: Order. I suggest the hon. member should put his question more briefly.

Mr. Macdonnell (Greenwood): Yes. I wish to ask the parliamentary assistant whether, in view of the increase to the extent of $37·7 million instead of the $35 million decrease, predicted by the minister for the year, the government is proposing to employ the services of an efficiency company, as was done in the case of the national film board, with what we have been told by the Minister of Resources and Development (Mr. Winters) were excellent results.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): I am indebted to the hon. member for giving notice of his question. His question is based upon a statement of the Acting Minister of Finance to the effect that our non-defence expenditures in the first seven months of this year are up $37·7 million over what they were in the first seven months of last year. In answer I would like first to put the question in proper perspective by saying that this amounts to one per cent of the budget for this year. When the hon. member realizes the increases in wages and living costs which have occurred in Canada over the last year, he will understand that every industrial firm in the country envies the efficiency of the Department of Finance in holding the increase in the cost of government over seven months down to one per cent.

Mr. Macdonnell (Greenwood): May I be allowed to point out that when the minister made the statement—

Some hon. Members: No, no.

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Macdonnell (Greenwood): May I be allowed to point out—

An hon. Member: Ask your question.

Mr. Macdonnell (Greenwood): —that the minister said he had taken into account the various increased expenditures anticipated—

Some hon. Members: Question, question.

An hon. Member: Steamroller.

FISHERIES

TREATY NEGOTIATIONS WITH JAPAN AND UNITED STATES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I ask the Minister of Fisheries if he will make a statement at an early date concerning the progress of negotiations with the United States and Japan with respect to a fisheries treaty. Incidentally I am sure we are all delighted to see him back in his seat today.

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, I left Tokyo after the principles of the agreement had been pretty well agreed to. The writing of the agreement itself was still in progress. The hon. member for Skeena (Mr. Applewhaite), who was also there, will be home on Wednesday. Just when my deputy minister will be back I cannot say, but it will probably be toward the end of next week. After his return, and after I have reported to my colleagues, I shall be in a position to make a statement to the house.

Mr. McIvor: I am sure we all approve of the Minister of Fisheries. He is not afraid to be shot at, either away from home or at home.

FURS

IMPORTATION FROM RUSSIA

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce (Mr. Howe). In his absence I shall address my question to the Prime Minister. Is it the intention of the government to follow the United States in prohibiting the importation of Russian furs into Canada?

Right Hon. L. S. St. Laurent (Prime Minister): The matter has not yet been considered by the government.

NEWFOUNDLAND

CONSTRUCTION OF COLD STORAGE PLANT AT PETRIES

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to ask a question of the Minister of Agriculture, of which I gave notice a few days ago. However, both he and I have been away. Is it true that the federal government is contributing to the cost of building a cold storage plant at Petries, Bay of Islands, in Newfoundland, and what is the amount of the commitment made for that

purpose? Would the minister state the estimated cost of construction, the amount the Newfoundland government is contributing, and the amount private investors are contributing, and who will be charged with that?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the Cold Storage Act provides that before any grant can be made by the federal government under that act, application must be made by those whose intention it is to construct the plant. It must be consented to before any work is actually done under the plan of construction. Up to date we have had no application from this company for assistance, and therefore I am not in a position to give any of the information asked for.

HOUSING

PROTEST AGAINST PREMATURE PAYMENT OF MORTGAGE MONEY UNDER NATIONAL HOUSING ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Resources and Development. Has the minister been advised of the protest of some forty residents of East Kildonan, Manitoba, against the payment of the balance of the mortgage money on their N.H.A.-built homes, before receiving clearance from the buyers of these homes? Will the minister look into this situation, and see what can be done to meet the claims of the purchasers of these homes?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, with respect to the first part of the question I have not been advised; with respect to the second part, my reply is that I shall look into it.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, November 28, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew.

Mr. J. W. Noseworthy (York South): Mr. Speaker, when the debate was adjourned last Wednesday we were discussing the question of federal aid to education. That discussion arose out of an answer made by the Prime Minister (Mr. St. Laurent) to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) on Tuesday, November 27, 1951, as recorded at page 1355 of *Hansard*. I shall return to that question and answer later.

At the outset I wish to say that the question of federal aid is not one in which only a few individuals are concerned. It is one that is of wide concern to all Canadians, generally. It is a question that has been a subject of public discussion, to my personal knowledge, for nearly a quarter of a century. In 1938, as chairman of the educational finance committee of the Canadian teachers federation, I appeared with a committee on behalf of that federation before the Rowell-Sirois commission in this city to place before it arguments in favour of federal aid for education. During that same year teachers' organizations in every province throughout Canada appeared before the commission as it moved across the country. Since that date such national organizations as the trade union congresses, national and provincial organizations of ratepayers and school trustees, national and provincial organizations of home and school clubs, various manufacturers associations and boards of trade, and home owners associations throughout the country have all lent their support to federal aid for education. The matter is one of too much concern to too many people in Canada to be peremptorily laid aside and dismissed without any further consideration by any one person, even if that one person is the very highly respected Prime Minister of Canada (Mr. St. Laurent).

It is generally agreed that it is the right of every Canadian child to secure the best in education, consistent with his need and capacity, that the resources of the state can provide. That is accepted today as the birthright of Canadian children. It is also agreed that such an opportunity cannot be afforded to Canadian children so long as we continue to finance our schools as we do today. There can be no justification in a democracy for providing at public expense better educational opportunities for the future citizens of one section of the country than are provided for those of another part of the country. Since our children are born as Canadian children, as Canadian citizens and not provincial or municipal citizens, the educational opportunity which is afforded to any Canadian child in any municipality in Canada is a matter of importance to the whole of Canada.

It is true that the control of education was delegated by the terms of the British North America Act to the provincial authorities, and in my opinion it was delegated to them for two reasons. First, there was the necessity of safeguarding the racial and religious

interests of the minorities. Without the safeguarding of these racial and religious interests, confederation would have been impossible. The second reason, which I think carried weight at that time, was that in 1867 there was no widespread belief in this country that education was a matter of great national importance or that education was of importance outside the provinces.

The necessity of safeguarding the racial and religious interests of minorities is as great today as it was in 1867. Nevertheless it has been proven conclusively over the years, and beyond any shadow of doubt, that federal support can be given to education without any interference with the rights of the provinces in this matter. Our most recent grants-in-aid to universities are being given with the distinct understanding that the federal government will in no way interfere with the freedom of our universities nor the right of the provinces to exercise their constitutional authority over these same universities. The federal government's magnificent support of education for the men and women of world war II is only another example of federal aid to education given within the terms of our constitution and without interference with provincial rights.

The need for federal aid for education at the elementary and secondary school levels goes much deeper into our national life than appears on the surface. It involves more than the provision of equal educational opportunities for Canadian children, important as that may be. It touches the conditions of home life in our communities. Today there are tens of thousands of Canadians, particularly in the low income groups, who require houses at a cost that they can afford to pay. The federal government recognized this fact in the terms of our national housing legislation. Provision was made therein whereby the federal government might enter into agreements with provinces and municipalities for the building of low rental houses. Even with the federal government's generous offer to bear 75 per cent of the cost and of the deficits of those houses, that has been a failure. So far as I can find out, not one single house has yet been built in Ontario under the terms of that legislation.

Provincial authorities in Ontario tell me that municipalities are reluctant to have low rental houses built within their boundaries. Why? Because working class people as a rule still raise comparatively large families—surely something to be encouraged rather than discouraged. Large families mean heavy taxes for education, and as long as municipalities and real estate in municipalities are required to carry the larger share of that cost you will have municipalities objecting to the building of low rental houses within their boundaries. Because we get no low rental houses, families today are forced to live in crowded and often unsanitary conditions, to live under conditions that discourage the raising of families and have a very undesirable effect upon those who are being raised. Federal aid for education is actually becoming a matter of more and more vital importance to the welfare of Canada as a nation. It is too important to warrant its rejection by the federal government on a mere technicality.

May I point out further that our neighbours to the south are faced with a similar constitutional problem, but they have in large measure solved that problem. The fact that the individual states in the union have constitutional control over education has not prevented their federal government from making generous grants-in-aid to education at every level. Their experience has shown that these grants can be made without impairing the constitutional rights of the states over education. Surely it is time that we in Canada took an adult view of this matter.

Returning to the question and answer which provoked this debate, the question asked by the hon. member for Winnipeg North Centre (Mr. Knowles), which will be found reported at page 1355 of *Hansard* of November 27, was as follows:

> Has the government received from the Winnipeg school board, and perhaps from others, a request that consideration be given to extending federal aid to education generally?

The answer of the Prime Minister (Mr. St. Laurent), to be found on the same page, was as follows:

> While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

When I spoke last Wednesday I did not have the exact wording of that answer before me and at the time I was inclined to agree with the hon. member for Ottawa West (Mr. McIlraith) when he said that the Prime Minister's reply applied only to a specific question with regard to the Winnipeg school board. The question asked by the hon. member for Winnipeg North Centre went beyond the specific question raised by the Winnipeg school board. It embraced others and asked whether consideration was being given to extending federal aid to education generally. It was in answer to that question that the Prime Minister stated that as long as he was leader of this government he would have to ask his colleagues to refuse to give consideration to that matter.

I submit that we should hear from the Prime Minister whether or not the interpretation I have placed upon his answer is the correct one. I say that that is about the only interpretation that can be given. Thousands of Canadians who are interested in this matter will be disappointed to learn that the Prime Minister refuses any longer even to consider the extension of federal aid to education generally, particularly after the sympathetic attitude which he seemed to take toward this subject when it was being debated on October 19, 1949, and I refer hon. members to page 947 of *Hansard* of that date.

While the Prime Minister did not commit himself or his government to the granting of federal aid he was far from refusing even to consider it. Possibly the Prime Minister has given consideration to this subject since 1949 and it may well be that he has discovered opposition which has led him to change his point of view. If that be the case then I think in a matter of such importance to so many people and to all parts of Canada we should be told what factors caused him to change his mind. That there has been a change of mind is I think borne out by a comparison of his statement last week with some of those which he made back in 1949. For example, we read on page 946 of *Hansard* of October 19, 1949, a statement by the Prime Minister as follows:

> I am sure all hon. members have welcomed this opportunity of focusing their attention upon this assertion, one which certainly appeals to each and every one of us, that there should be across Canada the greatest possible degree of equality of opportunity for the education of our young Canadians, the Canadian of the next generation.
>
> Whether or not the granting of financial assistance by the federal government to the various provinces could be arranged in such a manner as to avoid exercising any direct or indirect control over the field of education, which is essentially within provincial jurisdiction, is a question offering greater possibilities of controversy.

The Prime Minister admitted that this field did offer possibilities of controversy, but there was no indication that he would refuse to consider the question. As a matter of fact, every advance that we have made in dominion-provincial relationship over the years has been made in fields where there was a possibility of controversy. We faced up to those questions and arranged to work out a program that would be acceptable to both the provincial and federal governments.

The Prime Minister went on to say that a royal commission had been appointed to investigate questions regarding the promotion of the development of the aspect of national life in Canada which is not measured in statistical trade returns, or in dollars and cents, or in pounds and shillings. Then he urged that we wait until the report of the royal commission had been received, and he continued:

> —and I should think it would be wise not to attempt to determine with any degree of precision how the purposes can best be served until we have had that report.

I take it that that is spoken in a very different vein and indicates a great deal more sympathy than the answer given last week. I say again that either as a question of privilege or with the consent of the house the Prime Minister, not the hon. member for Ottawa West, should tell us at this time what is the government's position on this question.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, it is an honour for me to rise today to take part in this debate, because it is a day of home-coming for so many famous and illustrious ministers, who have brought honour to our country by their performance in foreign countries. Sitting here listening to them today has been a treat and an honour which I shall remember as long as I live. I happen to be the 139th speaker who has taken part in this debate, and I should like to make some mention of the opinions of the speakers who have preceded me.

While I listened to the hon. member for Yukon-Mackenzie River (Mr. Simmons), the seconder of the address in reply to the speech from the throne, I was taken back to the time when I enjoyed the first fruits of education, and that was reading and enjoying a novel. I well recall struggling through the pages of Robinson Crusoe; living his trials, holding my breath at his dangers, and glorying in his successes. As I listened to the hon. member, I found myself following him with rapture as he turned the pages and chapters of the story of the northwest. I was just as enraptured as when I laboured over the history of Robinson Crusoe. The story was a challenge to anyone who prizes opportunity for advancement and progress above comfort and so-called security. May I thank him for the inspiration he has given to all of us.

I want to thank also the mover, the hon. member for Beauharnois (Mr. Cauchon). I noticed the rapt attention with which those who understood the French language listened to him, and I was envious that my education was not broad enough to permit me to enjoy the eloquence of his address. It took me back, however, to the time when I first heard a great man from his province, and I am referring to that distinguished corporation lawyer who is now the Prime Minister (Mr. St. Laurent) of the Dominion of Canada.

The time of which I speak was a convocation at Queen's university in the year 1930 when the present Prime Minister was invited

to give the convocation address. I happened to be one of the thousand-odd students who, along with our parents and friends, had the opportunity of listening to this great educationalist. At that time he expounded most of the policies that he has put into effect since he has become leader of the Liberal party. His address was an inspiration to me, and I shall remember it as long as I live. After having heard him make that address, it is easy to understand why he assisted his government in deciding that they should give some 7 millions of dollars to the universities, Little did I think, as I sat listening to him, that I would have the opportunity of being a supporter of his in the government of Canada.

If I may, sir, I should like to put on *Hansard* some of the facts that he disclosed in his address, and some of the activities in which he expected students of a university might be engaged. During his address he said the country looked to the university graduates for leadership. This is the paragraph which I should like to put on *Hansard*:

> That leadership may take, and it does take, various forms. It may be leadership in the direction of the affairs of the state; leadership in the local affairs of the community; leadership in its economical activities whether industrial or commercial, or leadership in its intellectual and moral outlook on the problems which confront the individual and which he has to solve or with which he has to deal in his own daily life. It may be that leadership which places one in a position of authority where he compels others by regularly organized methods of constraint to do that which he determines and to abstain from that which he forbids. Or it may be that leadership which is effective only because its compelling force is derived from its own intrinsic appeal to the good sense and intelligence of those who recognize it and follow it.

Many times I have thought how that paragraph fits his performance in this house. In the same address he had a few words to say about some of the policies of our socialist friends down to the left. He is referring—

Mr. Brooks: May I ask from what the hon. member is quoting?

Mr. Hosking: A speech made by the Prime Minister when he was Mr. St. Laurent.

Mr. Brooks: Is it in book form or is the hon. member quoting from some magazine?

Mr. Hosking: No, I am just quoting from some notes of his speech. He said:

> Oh, we vote, and we criticize and we grumble frequently enough, but do we realize that the things we criticize and grumble about are just as bad for the other members of the community as they are for ourselves. . . .

I could not help but think how applicable that is to our socialistic friends who are never satisfied with the lot we have in this country, even although it is recognized as being the second best country in the world. I have often wondered just how much damage their propaganda does to the morale of the people of this country. It may be that in the years which lie ahead esprit de corps will be necessary in this country, and I wonder how much damage our friends to the left have done to our morale and to the esprit de corps of our people.

In this address the Prime Minister mentioned the challenge to the engineers:

> And now just a few words about the professional engineers. I will only venture a few sketchy observations. We have heard a lot about unemployment in the last few months. And I am told that the hydro electric power the engineers have put to work in the province of Quebec alone is equal to the working capacity of 25 million men. It amounts to 2½ million horsepower, and within five years another 2½ million will have been harnessed, and will be seeking employment.

That was at a time when everyone was complaining about unemployment, and how mechanization was creating unemployment. Here was a man speaking to university men who would be looking for jobs, and he was telling them that it was necessary for us to develop this country. He was advocating the development of these resources at a time when most people believed we should stop developing things which would have the tendency of eliminating manual labour. What would have happened had we not had men of his vision at that time to encourage the development of the natural resources in this country? What would have happened when Hitler attacked us had we not had men of his principles formulating the policy and telling us to go ahead and do what was right regardless of the cost?

My reason for introducing this speech by the Prime Minister, and its association with education, is due to an incident that took place in this house on November 27 when the hon. member for Winnipeg North Centre (Mr. Knowles) asked this question, as recorded at page 1355 of *Hansard*:

> May I direct a supplementary question to the Prime Minister? Has the government received from the Winnipeg school board, and perhaps from others, a request that consideration be given to extending federal aid to education generally? Is consideration being given to this question?

The Prime Minister's reply was as follows:

> I do not know that any such representations have been received. While I have the responsibility as the head of the government I would have to ask my colleagues to join with me in refusing to consider such a request.

The reason for that reply is quite clear. Our Prime Minister, in his brief statement, enunciated a general policy of the Liberal party. It has always been the policy of the Liberal party, as long as I can remember, to take the stand that the dominion government must obey the provisions of the British

North America Act. They have not the right to interfere in any of the laws which are the responsibility of the provinces and the municipalities. We are responsible for the money we collect in taxes. If we give grants to the primary and secondary schools, then we must be responsible to see how that money is spent. No one, by any stretch of the imagination, could consider that the dominion government should get down to the directing of primary and secondary schools. That is something that must necessarily follow if they make grants to them. We must be responsible for how the money we collect in taxes is spent. I was extremely proud to hear the Prime Minister, in two short sentences, express to the hon. member for Winnipeg North Centre the policy of the Liberal government not to interfere in the everyday life of the citizens; education is the responsibility of the citizens at municipal level. It was gratifying to hear the Prime Minister enunciate this policy. I hope he will long continue to carry out those policies.

Mr. Knowles: Did anyone ask him to interfere?

Mr. Hosking: The suggestion that he is not interested in education could be amply disproved by the fact that this government has seen fit to allot some $7 million to universities so that they could produce more graduates. I again suggest that the reason for this policy is that the government is possibly the greatest employer of university graduates. Such graduates are required by all departments. They are very important for the national research department. The dominion government therefore has a national responsibility to see that men with these qualifications are produced to carry out the necessary functions in order to give us good government. To ask the dominion government to take part in the everyday education of the lives of our citizens is something that I do not think should be done. I hope that I do not live in a state where that takes place.

Mr. Knowles: Will the hon. member permit a question?

Mr. Hosking: Yes; I am quite willing to do that.

Mr. Knowles: Will the hon. member explain why the making of grants to universities is not considered as interference but that the making of grants to education generally would be regarded by him as interference?

Mr. Hosking: The question is a good one.

Mr. Noseworthy: What is the answer?

Mr. Hosking: The dominion government is interested in all things that deal with the dominion as a whole. When the dominion government is assisting university graduates it is dealing with a finished product which the dominion as a whole will use to a greater and greater degree in every department. It is quite a different situation when we come down to the primary schools.

Mr. Knowles: Most people have to get a general education before they can go to university.

Mr. Hosking: I should like to commend the Prime Minister on the way in which he has dealt with this matter. I am envious of him also, because he could enunciate the policy of the Liberal party regarding education clearly and decisively in two sentences whereas I have had trouble in trying to enunciate the same policy to the satisfaction of my hon. friend in the space of several minutes.

There are one or two things further that this debate prompts me to say. One is with regard to our credit restrictions. I happen to be in a business that is hurt by credit restrictions possibly as much as is any other business in the dominion. When I was going to university I was in that business not as an owner but as a labourer. I should like to make a few comparisons between the period of 1929, 1930 and 1931 and the present day. I can remember quite well selling, in 1929, an automobile to a customer, going to school for the winter, then coming home the next summer and finding that car sitting in the place of my employment to be resold again because it had been seized. I can remember selling it again that summer, the next summer when I came home, finding the same automobile sitting there in that same lot to be sold a third time because it had been seized from its second owner.

Today I am in the automobile business as a dealer and I speak with some knowledge of the situation. I can say that most automobile dealers are extremely fortunate people in that these credit restrictions have been applied. I am referring principally to the credit restrictions as applied by the banks. I know of many dealers who have their credit set at the bank at a figure which was required by them six months ago when they had few used cars in stock and thus required a small amount of capital. Today many of them could use more capital in order to put more used cars on their lots, but the banks will not allow them to increase their borrowings. Thus, they are not allowed to put more dollars into used cars on their lots. If the credit restrictions of the banks were removed, I am convinced that we would see many millions of dollars in used cars standing around in the used car lots of the Dominion of Canada. You may well say to me: What effect has that on the financial stability of the Dominion of

Canada? I would suggest that there would come a time when the banks, through fear as to the financial responsibility of the individual dealers, would come to them and say: You must somewhere find some money with which to pay off your loans. The minute that situation arose no new cars would be ordered from the producers by the dealers across the dominion and we would have a situation of serious unemployment in the manufacturing plants of the automobile industry, while millions of dollars' worth of used cars were being sold from the various dealers' lots. There is a marked parallel between conditions now and in 1930. Our government has prevented from taking place this year what took place in 1930. I should like to suggest that this situation applies also with respect to those who are selling electrical appliances, electric refrigerators, washing machines and so on. That applies to any industries where they are trading in used articles which they will have to sell to customers at a later date. I should like the Minister of Finance (Mr. Abbott) to bear this in mind. If it should happen—and I hope it will—that some relief can be given in his taxation program in the next year, I hope he will remember that automobiles, refrigerators, stoves and washing machines are considered by many people to be essential. I hope he will remove some part of the new high tax which now exists on these commodities. I am very pleased that it would appear that this action might be possible. Thus I hope that when the minister considers his new budget he will bear this in mind, and I am sure that it will meet with favour amongst most of the people across the dominion.

Mr. Noseworthy: Will the hon. member permit a question? Will the hon. member tell us why, in his opinion, federal grants in aid of technical and vocational schools is not an interference with provincial rights, while grants in aid of secondary schools would be?

Mr. Hosking: The policy of the government has always been to allow the municipalities to run their own governments as they saw fit, and not to encroach on the rights of the provincial governments as laid down by the British North America Act. This would be a complete contravention of that.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I rise to take part in this debate for one specific purpose. Since I have raised the same matter several times before I shall detain the house for only five minutes. I wish to protest, and protest vigorously the continued failure of the government to allocate to certain maritime and prairie provinces their fair share of the huge defence contracts. It seems to me that the greatest single weakness of Canada's defence effort so far has been the lack of any real attempt to decentralize this nation's industrial potential. Last February I asked the Minister of Defence Production (Mr. Howe) for a breakdown, by provinces, of the defence contracts which had been let in the first nine months of that fiscal year. When the figures were tabled I thought they were quite significant, because Ontario and Quebec in that period received 82 per cent of all the contracts that had been let. Prince Edward Island, New Brunswick, Newfoundland and the three prairie provinces together received only 4·5 per cent. My own province of Saskatchewan obtained only one-tenth of 1 per cent of the total contracts—only a little more than the Yukon.

Since that time many opposition members and some government supporters have pointed out the dangers of this policy, the weaknesses in it, and the unfairness. We were repeatedly promised by various government spokesmen that something would be done to rectify the situation; that something would be done to spread out these contracts in a little fairer way. I recall the Prime Minister speaking on February 26. He told parliament that it would be healthier for the country as a whole if industries were spread out in a more diversified fashion. The Minister of Defence Production time and again has told the house that his department was trying to diversify defence contracts. As a matter of fact, last February the premier of Manitoba wrote to the Minister of Defence Production and asked him for a larger share of defence contracts for Manitoba. According to the Toronto *Saturday Night* the Minister of Defence Production replied to Mr. Campbell, and I quote from page 23 of the issue of November 24:

> I can assure you at the outset that there is no lack of desire here to place contracts with Manitoba firms. The Canadian Commercial Corporation have instructions to give a preference to firms in Manitoba and on the prairies in considering tenders on military equipment, and I am sure that they are doing so.

Well, Mr. Speaker, as a western member I should like to know where that preference is. Despite all the promises which have been forthcoming, month after month as these lists

are tabled, we still find that at least six provinces in this dominion are not being given anywhere near their share of defence contracts. I think the time has come to do something about this matter. I have been personally surprised at the reticence shown by the department in giving to the house actual provincial break-downs. Many hon. members have requested such information. I recall doing so myself on two or three occasions. I recall the hon. member for Brandon (Mr. Dinsdale), the hon. member for Royal (Mr. Brooks) and others asking the minister to break down these defence contracts by provinces. But always he has refused to do so. The parliamentary assistant has maintained that they were not available. Here is what he said at page 1010 of *Hansard*:

> The information as to defence contracts awarded is available and published for each two-weeks period, but the break-down by provinces as asked for is not available.

The arguments that he has used for refusing the information have been twofold. First, he maintained that the lists do not contain subcontracts. Second, he argued that contractors' postal addresses are not necessarily in the province where the work is being done. For myself I cannot accept the validity of the parliamentary assistant's arguments in this connection. But even if we do accept them as valid, I think it is inconceivable that it would affect the over-all picture any more than in a very minor way. I say that this information has been refused opposition members simply to keep the facts from the country as a whole.

After trying every other way to get the information that I wanted I decided last week to analyse the lists myself. I want to say that I do not think a member of parliament should have to waste hours on detailed work of this kind. We have not got adding machines in our offices, and other office equipment which is necessary. There are hundreds of civil servants in Ottawa who are paid to do such a job. I think the parliamentary assistant has been lax in refusing us the desired information. Since April 1—I think that is the time the department was set up—13 lists have been put out giving all the defence contracts which have been let. They are numbered C-1 to C-13, and the heading of each of them is: "Defence contractors awarded defence orders aggregating in excess of $10,000." I would like to give the house a break-down of those figures as I have analysed them. I said that the period covered is seven months, April 1 to October 31. I have compiled them in round figures, omitting the thousands. They are as follows:

Defence contracts allocated April 1 to October 31

Province	Dollar value in thousands	Percentage of total
Newfoundland	162	·03
Prince Edward Island	1,520	·32
Nova Scotia	29,940	6·48
New Brunswick	8,218	1·78
Quebec	163,131	35·34
Ontario	186,431	40·38
Manitoba	16,981	3·67
Saskatchewan	4,460	·96
Alberta	11,884	2·67
British Columbia	37,164	8·05
Yukon and Northwest Territories	1,692	·36
	461,583	

That means, Mr. Speaker, that the two central provinces received 75·72 per cent of all the defence contracts during the past seven months. It also means that the three prairie provinces put together received only 7·30 per cent, with Saskatchewan getting only ·96 per cent. I may add that most of Saskatchewan's contracts were airports. These days Alberta could almost be classified as an industrialized province. Yet it received only 2·67 per cent. Surely these figures make two things perfectly clear. First of all, at least six provinces of our confederation are being treated unfairly, as far as defence contracts are concerned.

Mr. Smith (Moose Mountain): Where did the airports go in Saskatchewan?

Mr. Thatcher: What has that got to do with it? One of them went to the best constituency in that province—Moose Jaw.

Mr. Smith (Moose Mountain): What is the name of it?

Mr. Thatcher: And I am pleased about the locality. The fact remains however—and I think my hon. friend would agree—that our province has not received our share of industrial contracts.

Mr. Smith (Moose Mountain): I am not quarrelling, but I was just wondering where they went.

Mr. Brooks: You know where they went.

Mr. Thatcher: One to Moose Jaw and the other to Saskatoon. Perhaps if a few Liberal members would cry louder for defence contracts we might obtain a larger share.

In the second place these figures indicate that no conscious effort is being made by the Department of Defence Production at this time to decentralize industry. I would repeat

that in my opinion this fact is one of the greatest weaknesses in our present defence program.

The citizens of my province are going to be doubly perturbed by these figures, coming as they do on top of the recent census figures. We realized last month when we saw those figures that while most provinces have enjoyed sharp increases in population between 1941 and 1951, Saskatchewan lost 67,000 people. In the past few years the trend in rural areas has been toward larger and larger mechanized farms. In the war years we lost thousands of our younger people to the industries of central Canada. That trend is still continuing, and particularly since Korea. Unless something is done to help the outlying provinces industrialize, they may lose even more of their population in future.

I believe most hon. members would agree that, purely from the point of view of defence, it is not wise to have all our industries centralized in these two central provinces. If an atomic war should come, then, as has been pointed out, three or four well-placed atomic bombs could probably neutralize much of the nation's industrial potential. It seems to me that it is the duty of the federal government to help any part of the nation that is in danger of sliding backwards. My province and certain others need help today, so that they may have industries to keep their population.

In the allocation of defence contracts, the government could use its influence to promote the decentralization I have advocated. Therefore I urge the Minister of Defence Production (Mr. Howe) to give the outlying provinces, and without further delay, their fair share of defence contracts. The people of Saskatchewan want no more than is properly coming to them—but they certainly want no less. I have no doubt the same is true of the other provinces.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, while I am deeply interested in federal aid to education, and have favoured it for a number of years, and while I am deeply interested in the decentralization of industry so that the other provinces may have a share of industrial development during the war, I hope I shall be excused for refraining from discussing either of these most interesting topics on this occasion.

For a short time I desire to turn my attention to the dairy industry of Canada. Canada needs the dairy cow. There can be no sound and enduring national economy without a dairying industry equally enduring and sound.

Particularly in the Canadian economy, the dairy industry must be sound. The percentage of the total cash farm income derived from dairy products in 1950 was as follows:

	Per cent
Canada	14·7
Quebec	29·2
Nova Scotia	23·8
British Columbia	18·9
Ontario	17·6
New Brunswick	16
Prince Edward Island	14·6
Manitoba	8·6
Alberta	7·3
Saskatchewan	4·7

These figures are provided by the national dairy council. From the dairy cow comes about 40 per cent of the beef and 60 per cent of the veal used by Canadians. The market for Canadian coarse grains in eastern Canada is provided by eastern farmers who buy extra feed for their stock—generally dairy stock. In western Canada 2·6 million tons of coarse grains each year, on an average, move into eastern Canada as feed, to be used mostly for dairy cattle. The figures show that 16·64 per cent of the entire live cattle shipments to the United States in 1950 consisted of dairy and purebred cattle, to the number of 67,900 head.

United States demands for Canadian dairy cattle and calves have been increasing in the last few years. Millions of dollars have come from that source to eastern Canadian farmers.

The figures show that 450,000 Canadian farmers alone depend upon receipts from dairy products, as a necessary source of income. We find this at page 3 in a fine little document published by the national dairy council, entitled "The Top Six Inches of Soil".

The dairy cow contributes $600 million annually to Canadian commerce. And, according to the same authority, the dairy cow at all times stabilizes the Canadian economy, and often she is the saving of many of the farmers. We had an excellent example of that during the depression. Production, manufacturing, processing and distribution of dairy products in some 2,000 dairy plants provide the direct or indirect livelihood of 17 per cent of Canada's total population. This is indicated in another fine little booklet of the national dairy council entitled "What is Best for Canada".

Soil fertility maintenance will always be a "must" for every wise people and government. In Canada this truth applies with

cogent force. Many, many farms have been abandoned in Canada—far, far too many, and especially in Ontario and the maritime provinces. Great numbers of farms in Canada have simply become worn out. When we contrast that situation with the way in which the fertility and yielding capacity of soil in most parts of Great Britain have been preserved down through the centuries, we must find cause for complete shame in Canada.

Far, far too many of our farmers in Canada merely mine the soil. This is particularly true through the western provinces. The mechanization of our farms is rapidly displacing the horse, with his requirements of fibre-restoring pasture and his natural return of nutrients to the soil. This is a matter which has been given too little attention in calculating policy for Canada.

Over a great percentage of this country erosion by wind and water is taking place at an alarming rate. Surely we do not have to wait until this nation becomes a pile of rocks before the people in responsible positions take common-sense action, and do something about it.

As reported in the Alberta wheat pool budget of November 23, 1951, the research laboratory of the experimental farm at Swift Current points out that the weight of an inch of water falling upon an acre of soil is close to 110 tons. The drops falling upon the bare soil splash about 22½ tons of clay or clay loam. The run-off can carry away a substantial weight of this soil to where it becomes non-available. From the 1936-1948 progress report of the division of field husbandry, soils and agricultural engineering of the central experimental farm, Ottawa, we learn the following as to the effect of manure on water erosion of soil:

Results on soil and water runoff on summerfallow and corn plots on a 10 per cent slope are available from two series, one of which received 16 tons of manure per acre at the time the plots were established in 1944 and again in the fall of 1947, and the other has received no manure.

The average loss per acre for a cropping season during the period 1945 to 1948 inclusive on the manured summerfallow plot was 31·9 tons of soil and 228·2 tons of water, as compared with 38·1 tons of soil and 298·5 tons of water on a plot similar except that no manure was applied. Where corn was grown, the runoff was 31·1 tons of soil and 289·3 tons of water on the manured plot as compared with 39·3 tons of soil and 319·8 tons of water where no manure was applied.

Manure improves the physical condition of the soil favouring greater absorption of water, and consequently less erosion occurs.

The dairy cow is the greatest rehabilitating agent available to man. Let us never forget that. There are three main means of rehabilitating soils: first, through artificial fertilizers; second, through green manure by the plowing under of legumes, sweet clover, red clover and the like; and third, through livestock manure. Barnyard manure from cattle is in every way the best means of rehabilitating soil. I should like to refer to a national dairy council of Canada report based on experiments and observations at our experimental farm. The article reads:

Farmyard manure constitutes the most valuable by-product of the farm. During the last war the Department of Agriculture estimated that 114,147,000 tons of manure exclusive of bedding materials are produced each year by the livestock in Canada. On the basis of average chemical analyses of the excrement from various species of animals, the nutrients in the total manure produced would be equivalent to 3,353,550 tons of sulphate of ammonia, 1,024,145 tons of superphosphate (20 per cent P205) and 1,137,825 tons of muriate of potash.

In addition to these potential nutrients manure adds large quantities of valuable organic matter to the soil, thereby improving the tilth of both light and heavy soils.

The approximate amount of nutrients in a mixture of fresh manure from the common species of farm animals is 10 pounds of nitrogen per ton of manure, 5 pounds of phosphoric acid and 10 pounds of potash. One mature milk cow would produce about 1 ton of manure a month. At this rate milk cows in Canada last year produced over 43 million tons of manure of a fertilizer potential in terms of soil nutrients of 216,540 tons of nitrogen, 108,270 tons of phosphoric acid and 216,540 tons of potash.

What is the best combination of means of rehabilitating soils? Experiments have been conducted for a good many years in Canada in an effort to determine whether or not artificial fertilizers can replace manure, whether artificial fertilizers together with green manure can sufficiently rebuild soils, or whether it becomes necessary to have barnyard manure, and just what is the result of combining the three one way and another. An experiment has been conducted in Lethbridge in which hon. members will be interested. It has to do with sugar beets, wheat and alfalfa. I should like to quote a page from "Silver Sunshine", a document published by Canadian Sugar Factories Limited. It is the fall edition, 1951. I read from page 5, as follows:

Each plot consists of four fertility treatments: 1. Barnyard manure and mineral fertilizer; 2. barnyard manure only; 3. mineral fertilizer only; 4. no additions.

The barnyard manure is applied and ploughed in the fall of the year prior to the first year beets at the rate of 30 tons per acre. This manure taken from the livestock barns and feeding corrals is piled for a year to kill weed seeds, before it is spread on the plots. Until the last few years, triple superphosphate was drilled in with the beet seed at 100 pounds per acre on the plots receiving mineral fertilizer. Due to the shortage of this fertilizer, 11-48-0 is now used at the same rate.

The ten-year average yields (1941-1950) are tabulated below.

If I may have permission, Mr. Speaker, I should like to have the table put on the record. Is there any objection?

The Acting Speaker (Mr. Beaudoin): Is there any objection?

Some hon. Members: Agreed.

Mr. Blackmore: The table is as follows:

Ten-year average yields* (1941-1950) of crops grown in an eight-year irrigated rotation at the Dominion Experimental Station, Lethbridge, Alta.

	Treatment**			
	B. Man. and Min. Fertilizer	B. Man. only	Min. Fertilizer only	No additions
Sugar beets ..	21·54	21·14	12·80	3·10
Sugar beets ..	20·15	19·27	14·03	4·00
Wheat	54·00	53·00	49·20	46·00
Wheat	48·30	47·50	43·10	36·90
Alfalfa hay ..	3·63	2·81	2·40	1·32
Alfalfa hay ..	3·71	2·60	1·85	0·96
Alfalfa hay ..	3·23	2·34	1·40	0·94
Wheat	41·30	33·00	31·80	27·40

*Sugar beet and alfalfa yields in tons per acre; wheat yields in bushels per acre.

**Barnyard manure was applied at 30 tons per acre once in the rotation cycle. One hundred pounds of 11-48-0 was applied with the beet seed twice during the rotation. No fertilizers were applied directly to any crops but beets.

At page 23 of a 1936-48 progress report of the dominion experimental farm there is an article entitled "Soil Fertility Investigations" by A. J. MacLean, which is very valuable in this connection. To save the time of the house, I also ask permission to put this on the record. It contains a valuable tabulation.

The Acting Speaker (Mr. Beaudoin): Is it agreed?

Some hon. Members: Agreed.

Mr. Blackmore: The article reads as follows:

The maintenance and increase in crop yields through the use of farmyard manure, green manure and chemical fertilizers has been the object of a number of experiments conducted over a long period of years.

Comparison of Farmyard Manure and Chemical Fertilizers

In order to learn the extent to which chemical fertilizers may be used to replace or supplement farmyard manure, an experiment begun in 1910 at Ottawa is still in progress. In this experiment, located on a sandy loam soil, a rotation of mangels, oats, clover, and timothy is followed, and the treatments consist of farmyard manure, chemical fertilizer, manure supplemented with chemical fertilizer, and a check plot where no manure or chemical fertilizer is applied. The manure treatment provides for 15 tons of farmyard manure per acre for the mangel crop. The chemical fertilizer treatment consists of 100 pounds of nitrate of soda, 300 pounds of superphosphate (16 per cent), and 75 pounds of muriate of potash, per acre for mangels, and 100 pounds of nitrate of soda per acre applied for each of the other crops in the rotation. Where farmyard manure is supplemented with chemical fertilizer, 7·5 tons of manure, 50 pounds of nitrate of soda, 150 pounds of superphosphate (16 per cent), and 37·5 pounds of muriate of potash are applied per acre for mangels, and 100 pounds per acre of nitrate of soda are applied for each of the other crops in the rotation. In terms of nutrients supplied, the rate employed for the manure treatment was higher than that for chemical fertilizer. A rate of 15 tons per acre of farmyard manure as used would supply approximately 120 pounds of nitrogen, 90 pounds of phosphoric acid, and 120 pounds of potash. The chemical fertilizer treatment is applied in the experiment at such a rate as to supply 64 pounds of nitrogen, 48 pounds of phosphoric acid, and 37·5 pounds of potash.

TABLE 6.—COMPARISON OF FARMYARD MANURE AND CHEMICAL FERTILIZER OVER A 36-YEAR PERIOD.

Period of years	Crop	Average yield per acre			
		Check (no treatment)	Farmyard manure	Chemical fertilizer	Manure and fertilizer
1913–1924	Mangels....tons	11·44	21·67	19·83	21·61
1925–1936	tons	4·62	23·66	21·72	23·96
1937–1948	tons	3·44	21·58	19·25	21·50
Av. 1913–1948	tons	6·50	22·30	20·27	22·36
1913–1924	Oats.....bu.	44·5	56·1	51·2	52·4
1925–1936	bu.	45·0	63·4	60·6	61·5
1937–1948	bu.	31·5	61·2	65·5	65·1
Av. 1913–1948	bu.	40·3	60·2	59·1	59·7
1913–1924	Clover.....tons	2·27	3·90	3·66	3·79
1925–1936	tons	1·93	3·77	3·25	3·57
1937–1948	tons	1·54	3·59	2·85	3·15
Av. 1913–1948	tons	1·91	3·75	3·25	3·50
1913–1924	Timothy*..tons	.....	3·03	2·64	2·98
1925–1936	tons	1·98	3·20	2·71	2·88
1937–1948	tons	1·54	3·07	2·52	2·59
Av. 1913–1948	tons	1·76	3·10	2·62	2·82

* The timothy crop on the check plot was pastured during the period 1913–1921.

Safety in respect of supply of bedrock needs of life as to food, clothes and shelter must ever be a first-rating rule for a people who would be free and stay free. I am afraid this matter has been completely overlooked by those people who have been running us helter skelter into a margarine economy instead of a dairy cow economy. The need for self-sufficiency is altogether too little regarded in this age. We hear so much talk about nondiscrimination, multilateral trade, taking down trade barriers, and I don't know what not, most of these arguments being completely fallacious and originating in the notion that we should remove all our defences so that every other nation no matter how powerful economically can prey upon our markets.

Let us bear in mind that the only nation really safe economically is the one that produces its own. It is very much like the farmer. If he produces his own he has his own, and if he does not he may find himself without. Let us take sugar as an example. I have mentioned this several times in the house. During world war II we had to depend on the goodwill of an international board for the sugar we had to have for Canadians. We could have prepared ourselves to produce in Canada all the sugar we needed. We still could get ourselves into that position, but we persist in remaining in the position where we have to rely on an international board, a considerable number of whose members may be antagonistic to us at any given time. Such being the case, all that any group of internationalists have to do in order to bring Canada completely under their control is to threaten to cut off our sugar. Now we are getting to the position where they will be able to cut off our butter, cream and milk supply, or our vegetable oil supply, while we in Canada are capable of producing so much more of all dairy products than we can possibly use that our record would be astounding if we once liberated our productive capacity.

Let us bear in mind particularly now this matter of self-sufficiency. If we want to be free we have to become self-sufficient. That does not mean we can become completely self-sufficient, but it does mean we can become self-sufficient in so far as we are able to, and certainly that includes dairy products. There is a special need for self-sufficiency in respect of such a valuable product as milk. I should like to read from a pamphlet entitled "The Top Six Inches". It is a valuable document prepared by the national dairy council, and indicates just how valuable milk is. It reads:

> As a source of these vital nutrients, dairy products are undeniably leaders among the food groups. On the basis of eight principal food groups (dairy products, fruits, vegetables, cereals, meat, fish and poultry, eggs, fats and oils, sugar and syrups) Canadian food consumption figures show that dairy products:
>
> Rank first as a source of calcium, supplying 81 per cent. This nutrient builds bones and teeth and is essential to digestion, regular beating of the heart and the clotting of the blood.
>
> Rank first as a source of riboflavin, supplying 57 per cent. This vitamin aids metabolism and aids in avoiding eye difficulties.
>
> Rank third as a source of protein, supplying 26 per cent. This nutrient is especially important for the formation of new tissues during growth and convalescence after illness.
>
> Rank third as a source of fat, supplying 21 per cent. This supplies energy.
>
> Rank third as a source of vitamin A, supplying 17 per cent. This nutrient tends to reduce susceptibility to infection by keeping the tissues healthy.
>
> Rank third as a source of ascorbic acid, supplying 7 per cent. This nutrient prevents scurvy and anemia.
>
> Rank fourth as a source of thiamine, supplying 16 per cent. This vitamin stimulates growth.
>
> Rank fifth as a source of niacin, supplying 4 per cent. This vitamin prevents pellagra and skin diseases.

May I stop to make a comment. If for any reason we should be cut off from milk for our people, think of the dangers we should run into. I quote again:

> Special attention should be drawn to milk as a source of protein. While it is an important source of all protein consumed, it is vastly more important as a source of the essential amino acids which make up the structural units of protein. Research has shown that these essential amino acids must be consumed simultaneously in order to be effective for building tissue. Milk and milk products are a complete source of these amino acids, along with meat and eggs. Of the proteins containing all of the essential amino acids, milk and its products comprise almost half, and are the largest single source of these vital elements.

And again:

> Let's look at milk as a supplier of what nutritionists deem to be the daily minimum requirement of the various nutrients. Looking at it from this point of view, we find that one pint of milk alone per day would supply the average adult male with—93 per cent of the minimum requirement of calcium; 83 per cent of the minimum requirement of riboflavin; 29 per cent of the minimum requirement of protein; 18 per cent of the minimum requirement of vitamin A; 32 per cent of the minimum requirement of thiamine; 10 per cent of the minimum requirement of vitamin C; 8 per cent of the minimum requirement of niacin; 10 per cent of the minimum requirement of iron.

I ask any intelligent man or woman in Canada: Can we under any circumstances run the risk of depriving our people of these vital essentials by risking the destruction of our dairy industry? It just passes understanding that such a reckless thing as we are doing now should even be contemplated, much less indulged in, by intelligent men running a nation.

There is another aspect of this whole question. Canada, being one of the so-called "have" nations, must be more and more ready to help her neighbours in their need, those who

live in less favoured lands. Have we not had plenty of evidence of that? What are we doing about it? Are we taking all the steps possible to see to it that in respect of dairy products, for example, we shall be able to help them? Not a step. We are just displacing our dairy herds as fast as we can through the importation of vegetable oils.

Canada's capacity to increase production is very great. As an illustration which is just a little off the beaten path may I show what Germany did. Germany has a very large population in a very small area. Germans have had to be good household managers nationally for a long time. Here is what they did in respect of sugar beets, which shows how rapidly the productive capacity of a nation can be developed. From 1870 to 1903 Germany paid out over $340 million in sugar beet subsidies. During that same period through crop rotation used in producing sugar beets she increased her average yield of cereals from 14 bushels per acre to 34·9 bushels per acre, more than double. Germany by becoming the greatest grower of sugar beets increased her average yield of cereals by 80 per cent in the period 1879 to 1909. An account of this can be read in a little booklet called "Why Canada needs Sugar Beets", at page 15. That document quotes from publications prepared by the league of nations up to 1934; the figures are authentic.

We often hear people say we cannot increase our production in Canada. Anyone who says that is absolutely unrealistic. We have had enormous increases in the production of many commodities. Think of what we have done in the past in respect of hogs, poultry, honey, dairy products and beef. Everybody knows that we can increase the production of all those commodities. Many people say that we have not the men to do the work. The men are already on the farms. Most of our farmers are able to do a fine job on the side in respect of producing any of these commodities, all of which would improve their farming condition, if we got off their backs with our idiotic taxation structure and ended this government's mismanagement generally with respect to costs. If that is done, they can produce far more than is needed in any province of this dominion.

What has been the result of our policy upon our dairy herds? Right now Canada's dairy herds face utter ruin, and I mean just that. No industry can stand up against the kind of competition we are subjecting the dairying industry to. It simply cannot be done. What is happening to Canada's dairying industry? I should like to read into the record some statements from another fine document issued by the national dairy council called "What is best for Canada? The coconut or the cow?" Here is what they say:

> Canada is paying out tens of millions of dollars each year for imports of cheap foreign oils.
>
> Milk production provided $750 million purchasing power for Canadians last year.
>
> Dairy facts
>
> 1945, human population, 12·1 million; 1951, 14·1 million; change, up 2 million.
>
> 1945, dairy cow population, 3,998,000; 1951, 3,541,700; change, down 456,300.
>
> 1945, total milk production, 17·6 billion pounds; 1951, 16·4 billion pounds; change, down 1·2 billion pounds.
>
> 1945, milk production per capita, 1,455 pounds; 1951, 1,163 pounds; change, down 292 pounds.
>
> 1945, total butter production, 347 million pounds; 1951, 307 million pounds; change, down 40 million pounds.
>
> 1945, total cheese production, 189 million pounds; 1951, 92 million pounds; change, down 97 million pounds.
>
> 1949, margarine production, 74 million pounds; 1951, 105 million pounds; change, up 31 million pounds.
>
> The critical decline in the dairy industry is due to two major factors:
>
> 1. Higher prices for other farm products such as beef, hogs, grains, etc;
>
> 2. The lack of confidence on the part of 450,000 dairy farmers as to the future of the industry as a result of the unfair competition created by inadequate controls on substitutes manufactured from cheap foreign produced oils. (An increasingly large portion of these oils, at prices of only 12 cents to 15 cents per pound, are imported without duty of any kind. The balance, from a country which has banned the import of Canadian dairy products, pay duty of about 1½ cents a pound only.)

And then further on:

> The decline in the dairy industry has become so acute that in 1951 Canada, an agricultural country: Imported: 21 million pounds of butter; 10 million pounds of cheese; 6 million pounds of non-fat dry milk powder, and was unable to supply sufficient fluid market milk to meet the demands of many urban centres in western Canada.
>
> Just a few years ago dairy products were among Canada's biggest exports. Today, with a deteriorating international situation we are not able to meet our own domestic needs. This is a national problem.

I would say it is a national disgrace.

> Unless these trends are halted immediately, prices for all milk products as well as beef and veal (about one-half of which come from dairy herds) will become scarcer and more costly.

The last occasion upon which the Minister of Agriculture (Mr. Gardiner) spoke of this matter he sought to minimize the seriousness of this decline. He produced figures to show that our dairy production is not seriously below that of 1939. The minister had neglected certain important considerations. The first is that 1939 was, in effect, still a depression year. In that year Canadians would have consumed far less milk than they needed for optimum health. They simply were not able to buy it. The second consideration is that Canada's population has increased since 1939 roughly 25 per cent. If the Canadian population continues to increase at the average rate of

growth from 1946 to 1951, then in order to provide Canadians in the year 1955 with the amount of milk they consumed per capita in 1950 we shall have to produce an additional 1·7 billion pounds of milk, which will require an additional 300,000 cows. I do not know that the situation needs to be more serious than that.

Unless we take steps at once, and the right kind of steps, to aid our dairymen, Canadians will rue this day through which we are passing for a long time to come. Possibly they shall rue it when the means of remedying the situation will have been largely removed from their control.

What are the causes of this dangerous decline? The first cause is the low cost of margarine. The second reason for this decline is the high cost of butter. As everyone knows, butter has risen rapidly in price. On October 17, 1951, basis Toronto delivered, the price was 69 cents per pound, according to figures provided me by the national dairy council. The third reason is the low cost of vegetable oils, to which I have already referred. Prices in the United States market for crude vegetable oils on October 16 were as follows: cottonseed oil, 14·5 cents; soybean oil, 13⅝ cents; peanut oil, 16⅜ cents; coconut oil, 14 cents. In February, just a few months earlier, the prices for these same products were as follows: 24½ cents; 21⅛ cents; 27 cents and 24¼ cents. This shows how rapidly the price of these vegetable oils is going down, while the price of butter must unquestionably go up or we shall not produce butter.

The fourth reason is a lack of tariff protection against incoming vegetable oils. Oils, including copra, enter into Canada from British preference countries and certain other of the principal edible oil exporting countries in the world entirely free of tariff duty. Most oils from the United States used in substitutes pay only 10 per cent tariff duty, or approximately 1½ cents per pound at today's prices. This information was provided by the national dairy council.

The fifth reason is the rapid increase of percentage use of vegetable oils in margarine, 1950 to 1951. They have come to use more and more of this vegetable oil in the manufacture of a given weight of margarine. As the percentage of oils used increases, so the margarine becomes cheaper to produce. The percentage of coconut and other vegetable oils, mostly peanut, used in the manufacture of margarine increased from 10·8 per cent in the January-August period of 1950 to 23·9 per cent of the total in the same period of 1951. This represents an increase of 146·3 per cent in the utilization of coconut and other oils in the first eight months of this year compared with last. Again these figures are supplied by the national dairy council. What is the result? A tremendous growth in the over-all importation of vegetable oils. I have a set of figures which I shall put on *Hansard*, if it is the will of the house, which reveal the low cost of margarine to retail stores. This set of figures which was prepared by the dairy council is very enlightening.

The Acting Speaker (Mr. Beaudoin): Is there any objection to these figures being put on *Hansard*?

Some hon. Members: Agreed.

Mr. Blackmore: The table is as follows:

Costs of Oleomargarine

	Cents per pound	
	Cottonseed Oil	Soybean Oil
	(As of 5/5/49)	
Crude oil	11·75	10·87
Freight from mill to refinery	·28	·28
Unloading and refining	·25	·25
	12·28	11·40
Credit for fonts	·65	·65
	11·63	10·75
91 per cent field	1·05	·97
Prices f.o.b. refinery	12·68	11·72

Present oleomargarine formulæ call for 70 per cent cottonseed oil and 30 per cent soybean oil, so:	
Cost of cottonseed oil in formulæ is	8·88
Cost of soybean oil in formulæ is	3·52
Cost of oils in oleomargarine formulæ	12·40
Bleaching	·10
Hydrogenation	·14
Deodorizing	·24
Addition of lecithin	·10
Loading and icing cars	·02
Administrative	·15
Shrinkage (1½ per cent)	·37
Finished margarine oil—f.o.b. refinery	13·52
Freight from refinery to oleomargarine plant	·35
Cost delivered to oleomargarine plant	13·87
Over-run (produced by the weight of water, salt and milk solids in oleomargarine yield 122·5 per cent	2·30

Cost of oleomargarine (before following costs)	11·57
Manufacturing labour	·65
Manufacturing overhead	·41
Federal excise tax stamps	·25
15,000 units, vitamin A	·80
Salt, emulsifier, skim milk	·50
Wrapper, carton and shipping container	1·33
Shipping labour	·05
Shipping overhead	·07
Oleomargarine plant overhead	·21
Cost of packaged oleomargarine—f.o.b. factory	15·84
Selling expense	·57
Administrative	·15
Freight	1·00
Cost delivered wholesale warehouse	17·56
Delivery cost to retail store	1·50
Cost delivered to retail store	19·06
Gross profit (before advertising and taxes)	5·94
Average prices retailers paid for oleomargarine (est.)	25·00

The result of this has been again a tremendous growth in the over-all importation of vegetable oils. I have another table prepared by the council which illustrates this. With the permission of the house I should like to put it on *Hansard*.

Some hon. Members: Agreed.

Mr. Blackmore: The table follows:

Consumption of Oils and Fats in Margarine—July, August, 1951 and Jan-Aug. 1950 and 1951

(in thousands of pounds)

Oil or Fat	July-August 1951	January-August	January-August 1950
Vegetable oils			
Coconut ..	1,879	7,931	5,023
Cottonseed	1,850	13,166	29,921
Palm			
Soybean ..	4,759	23,498	9,894
Sunflowerseed	451	4,084	2,885
Other (mostly peanut)	1,746	4,863	172
Totals	10,685	53,542	47,895
Marine and fish oils	699	2,766	2,574
Animal oils			
Lard	....	....	....
Edible tallow	....	....	....
Other	....	....	3
Grand totals	11,384	56,308	50,472

The high price of beef also is causing men to go out of dairy cattle. Everyone knows that excessive increases in farmers' costs is causing them to cut down their herds. From the Searle Grain Company's letter of November 21, 1951, I read the following statement:

> The study reveals that farmers' costs have risen from 217·4 in April last to no less than 226·7 for August, on a base of 1935-9 equals 100.

Most of the increases in those costs are the results of the policies of the government we now have in power. There have been increased freight rates, and all that kind of thing.

The next thing that is likely to cause our dairy industry to be ruined is the undesirability of the work, and the responsibilities involved in dairying. Anyone who has had the experience in dairying that I have had—and I lived all my life on a dairy farm, until I graduated from university—will know how undesirable dairying is. Once we drive the dairymen out of the dairy business, we shall have plenty of trouble getting them back into it or in getting others to go into it. Once we destroy our dairy herds, we shall have more than a little trouble replacing them.

What are we to do with this problem? We could use tariffs against vegetable oils. In one of its fine publications the national dairy council says:

> It is proposed that the imposition of adequate excise taxes on oils imported and used in dairy products substitutes would assist in re-establishing that confidence in the future of dairying which lack of action on the proposal up to this time has served to undermine.

This is from a publication "What Is Best for Canada", at page 4. It is small wonder that the council suggests this measure as its main remedy. As the council points out, Canada gives tariff protection as follows:

Product	Tariff Protection
Tobacco,	65 cents to 95 cents per pound.
Washing machines,	22½ per cent to 35 per cent.
Refrigerators,	20 per cent to 40 per cent.
Clothing,	25 per cent to 35 per cent plus per lb.
Hats,	27½ per cent, plus 90 cents per dozen to 35 per cent plus $1.25 per dozen.
Boots and shoes,	27½ per cent to 40 per cent.
Raincoats,	27½ per cent to 35 per cent.
Automobiles,	17½ per cent to 27 per cent.
Beer,	55 cents to 65 cents per gallon.

Now, think of that. Furthermore, the council has cited the fact that the Canadian tariff on dairy products ranges as follows: I have here a national council document which I would be pleased to put on *Hansard* illustrating this point. It would be very valuable for all members of the house.

Some hon. Members: Agreed.

Mr. Blackmore: The table is as follows:

CANADIAN TARIFF ON DAIRY PRODUCTS

Tariff Item	Commodity	Unit	Rate of Duty		
			British Preferential	Most Favoured Nation Tariff	General Tariff
18	Butter	lb.	8¢ 5¢ Australia and New Zealand	12¢	14¢
17	Cheese	"	3¢ 1¢ Australia and New Zealand	3¢	7¢
232d	Casein	"	17½ per cent plus 2¢ 12½ per cent Australia and New Zealand	25 per cent plus 2½¢	27½ per cent plus 3¢
711	Milk and Cream fresh	"	15 per cent	20 per cent	25 per cent.
43a	Dried Milk Powder	"	2½¢ 1¢ Australia and New Zealand	4¢	5¢
43a	Dried Whey	"	.....	3½¢	.....
43	Milk, condensed and evaporated	"	2½¢	3¢ on condensed	3¾¢
141	Ice Cream	"	15 per cent	25 per cent	35 per cent plus ½¢
45	Milk foods n.o.p.	"	20 per cent	20 per cent	27½ per cent
44	Condensed milk with coffee	"	25 per cent	35 per cent	35 per cent

We protect our dairy products against other dairy products, but leave them defenceless against oil.

The council cites the United States duties applicable to dairy products from Canada. They are shown in another document which I think should be placed on *Hansard* because it will be of interest to the people of the country and the hon. members of the house. It was submitted to me on the authority of the dairy council.

Some hon. Members: Agreed.

Mr. Blackmore: The table is as follows:

United States Duties Applicable
Dairy Products From Canada

Whole milk—2 cents per gal. quota 3,000,000 American gals. In excess of this amount 6½ cents per gal. (Subject to possible reduction to 1·62 cents per gallon. Quotas subject to upward revision. Ex-quotas subject to reduction of ½ present rates.)

Cream—15 cents per gal. quota 1,500,000 American gals. In excess of this amount 56⁹⁄₁₀ cents per gal. (Subject to possible reduction to 14·5 cents per gallon. Quotas subject to upward revision. Ex-quotas subject to reduction ½ present rates.)

Butter—7 cents per pound. Quota of 50 million pounds for all countries for period Nov. 1 to March 31 and quotas of 5,000,000 pounds in each of the periods April 1 to July 15th, and July 16 to October 31st. Canada can participate in this quota. After quota is filled duty is 14 cents per pound.

Cheddar cheese—3 cents per pound, minimum ad valorem 15 per cent (Subject to reduction to 2 cents per pound or 12½ per cent minimum ad valorem.)

Whole milk powder—3¹⁄₁₀ cents per pound.
Skim milk powder—1½ cents per pound.
Lactose—25 per cent ad valorem.
Cream powder—6½ cents per pound.
Evaporated milk—1 cent per pound.
Condensed milk—1¾ cents per pound.

The remarkable thing in dealing with the United States is that here is a country with 150 million people, with better resources than any other nation on the face of the earth, with the highest industrial development probably to be found anywhere; and according to this information that nation strictly protects its dairy industry by the various means of control indicated in the document which I have put on *Hansard*. Yet we foolhardy people in Canada suppose that our dairy industry can get along without that protection.

The question is, what to do? A tariff would naturally tend to force up prices of dairy products substitutes greatly to the distress of consumers. I am opposed to any increased costs to consumers. At this time they are paying all they can possibly stand. Most

consumers throughout this country are at their wit's end to know how to make ends meet.

We could use an excise tax upon the manufacture of margarine and all substitutes for dairy products. Again this would increase consumer costs. We could use a subsidy on milk and all milk products.

I have a document here prepared by the national dairy council which shows what it would cost to apply a subsidy. If it is the desire of hon. members, I should like to put it on *Hansard*.

Some hon. Members: Agreed.

Mr. Blackmore: This memorandum reads as follows:

Butter

To pay a 10 cents per pound subsidy on creamery butter (8 cents per pound on butterfat) on the basis of 1951 production estimates would require 27·7 million dollars.

Fluid milk

During the war years a 2 cents per quart consumer subsidy and a 1·5 cents producer subsidy was paid on milk for fluid consumption.

To pay a 3 cents per quart subsidy based upon fluid milk sales estimated for 1951 would require 41 million dollars per year.

Per capita consumption of fluid milk reached a peak of ·88 pints per day in 1945. In order to regain this per capita consumption on the basis of 1951 population an increase of 715 million pounds of milk would be utilized.

We could use guarantees of prices of materials entering into production of dairy products, also guarantees of prices and markets for our finished dairy products. We could use quotas to avoid vegetable oils displacing Canadian dairy production. We could use any effective combination of these five devices, but I demand that there be no increase in the cost of dairy products to Canadian consumers, or any increase in the cost to consumers of substitutes for dairy products. Personally as an adequate means of reviving our dairy industry I prefer an extensive and consistent use of subsidies together with rigid import quotas on vegetable oils entering Canada.

I have just this to add in closing, Mr. Speaker. The Canadian dairy industry simply must be saved and in the saving process there must be no increase in price to consumers of dairy products or substitutes therefor. If we are to avoid serious danger —and I mean every syllable of that phrase— we must begin the saving process right now.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to detain the house for a few minutes on a matter which I think is of interest and importance. But before doing so I wish to take just a minute to put on the record what I found some difficulty in putting on it earlier in the afternoon because at that time hon. members did not seem to be greatly interested. I was interested in the light-hearted brushing aside by the parliamentary assistant of the words which were, I think, uttered seriously by the finance minister and which were taken seriously by this house last April. I propose to read just a sentence or two from what the Minister of Finance (Mr. Abbott) then said, which will indicate what I was not able to indicate owing to the enthusiasm shown an hour and a half ago by those who so valiantly support everything a government member says. This will indicate that the Minister of Finance apparently spoke seriously, and that he gave the house to understand that the various increased costs had been taken care of in his estimates. As reported at page 1801 of *Hansard* the Minister of Finance said:

> The estimates placed before parliament for this year show a reduction of $35 million below last year, despite an increase of more than 10 per cent in salary and wage levels, despite higher materials and construction costs, and despite an increase of nearly $40 million in old age pensions, family allowances, tax rental agreements with provinces, and similar payments that rise automatically with increases in population and the value of production. The numbers of employees engaged in normal government administration are being reduced . . .

And so on. I shall not pursue the matter further, Mr. Speaker, but I just want to reiterate that we had this afternoon, in the answer given to me, what I regard as a rather clever escape or attempt to escape by an utterly irresponsible answer, having regard to what the minister said last April.

I wish to take a few minutes of the time of the house in order to bring to the attention of hon. members some remarks made by the Secretary of State for External Affairs (Mr. Pearson) which seemed to me to have been in the highest degree uncalled for, to put it mildly. These remarks were made before the United Nations first of all last January; then further remarks were made a few weeks ago in Paris. At a time when it seems highly desirable to safeguard and nourish common understanding, the minister seems to have gone out of his way to heap criticism on commonwealth statesmen for decisions made by them. Moreover, the line which he took was entirely inconsistent with the line taken at the time by the government of which he is now a member and which at that time he was serving in another capacity.

I shall have to touch on matters which carry the mind back more than a decade; but the excursion into the past, which will be brief, is the minister's responsibility and not mine. I am sorry he is not here today. I have tried to give notice to his parliamentary assistant. I think today is my only

chance to bring this matter before the house. It is a matter which has attracted attention outside of the house, and I consider it to be right and proper that it should be put on the record of the house also.

In a speech last January before the first —political—committee of the United Nations, the minister referred to a certain statement of principles prepared by the so-called "cease-fire" group of which he was a member, and referred to criticisms made of this group on the ground that they were, in the minister's words, "in danger of repeating the betrayal of Munich". The minister then went on to use these words:

> The tragedy of Munich . . . was not in going there. It might have been better if more governments had been able to accept the responsibilities of being there. The tragedy was in what was done there and our statement of principles did not I think recommend doing anything that meant the betrayal of a people or a principle, nor was it a weak surrender to armed pressure or a naive misunderstanding of a political situation.

Those are the minister's words. Then later the minister referred to

> My country which—

In his words:

> —was not represented at Munich.

Munich was evidently greatly on the minister's mind because he returned to it again on November 12 before the United Nations in Paris. Here are the words that he then used:

> It is always easy to secure peace and a kind of security on the other man's terms. But we know where that can lead—to the humiliation of a Chamberlain or the death of a Mazaryk.

I am not one of those who applauded Munich. I was not satisfied then, and I have never been satisfied since, as to the wisdom of what was done there. I felt deeply the abandonment of the Czechs and the loss of the Skoda works and the Czech divisions. As I said a moment ago, nothing that has happened since has definitely satisfied me of the wisdom of what was done. But notwithstanding my views, it seemed to me that at that time any fair-minded man would feel that the statesmen who were carrying the appalling responsibility of that time were entitled to sympathy. I have refreshed my memory by rereading the press of that time, and it recalls the tension and the appalling anxiety which was felt by people who had not yet really girded themselves to face war again. We recall the stories of trenches in Hyde Park and all that kind of thing.

Again I say that no man of fairness or common sense should have criticized the decision except in moderate words, and never should have criticized it except as an error of judgment. How different are the words which I have already read such as "betrayal", "weak surrender" and "naive misunderstanding". I found them to be extremely jarring. The minister knows the meaning of words, and it will not surprise him to know that the dictionary defines "betrayal" as "a treacherous giving up to an enemy". One would have thought that the minister's own difficulties in reaching conclusions in the Korean affair would have prevented him from using language of this kind. For example, I contrast his language with the language of Mr. Eden, who had resigned from the Chamberlain government, who was extremely dubious about Munich but who hailed Munich as at any rate a "respite", who referred to the "unparalleled ordeal" that Chamberlain as prime minister had been through, and who said that the people of England owed him "a measureless debt of gratitude" for his "sincerity and pertinacity". Those were the words of a man who really did not approve of Munich but who understood and sympathized with the appalling responsibility which was carried.

I now return to one other point. The minister referred to Canada not being represented. The clear implication of that reference is that there would have been no "betrayal", no "weak surrender" and no "naive misunderstanding" if only we had been there. You will remember the facts, Mr. Speaker. What are the facts? Was the government of Canada silent? Was it critical or noncommittal as to what happened at Munich? What did Mr. King, Mr. Lapointe and their colleagues say at that time? It is quite clear. It is contained in a cable sent by the then prime minister, Mr. King, immediately after the events of Munich, in the following terms:

> Ottawa, September 29, 1938
>
> The Right Honourable Neville Chamberlain,
> P.C., M.P.,
> Prime Minister of Great Britain,
> 10 Downing Street,
> London, England.
>
> The heart of Canada is rejoicing tonight at the success which has crowned your unremitting efforts for peace. May I convey to you the warm congratulations of the Canadian people, and with them, an expression of their gratitude, which is felt from one end of the dominion to the other. My colleagues in the government join with me in unbounded admiration at the service you have rendered mankind. Your achievements in the past month alone will ensure you an abiding and illustrious place among the great conciliators whom the United Kingdom, the British commonwealth of nations and the whole world will continue to honour. On the very brink of chaos, with passions flaming, and armies marching, the voice of reason has found a way out of the conflict which no people in their heart desired, but none seemed able to avert. A turning point in the world's history will be reached if, as we hope, tonight's agreement means a halt

to the mad race of arms, and a new start in building the partnership of all peoples. May you have health and strength to carry your great work to its completion.

W. L. Mackenzie King.

Here is the view expressed by the Canadian government. It is not my view, but it was held by people far more important than I am; by statesmen of Britain, by statesmen of the commonwealth and, as I have just indicated, by the government of Canada. In any event, this cable makes nonsense or mincemeat of the minister's implication that if we had been represented at Munich all might have been different.

However attractive it may be to criticize decisions after the event, I suggest that it is ungenerous and it sometimes has pitfalls.

(Translation):

Mr. J. I. Rochefort (Champlain): Mr. Speaker, in accordance with the policy laid down by the member for Bellechasse, my remarks will be brief. I would like to discuss certain current problems mentioned in the speech from the throne.

It would seem fitting, however, before I come to the heart of the matter, to point out the connection of my constituency, that of Champlain, with Ottawa, our federal capital, through the participation of our national madonna, Notre-Dame-du-Cap, who came here to preside over the great sittings of the Marian congress. The Prime Minister of Canada (Mr. St. Laurent) himself was pleased to consecrate our whole country to this madonna. Since then, she has travelled through the provinces continually, thus accomplishing a great pilgrimage through the country. Let us hope that soon a basilica, which will be the pride of the constituency of Champlain and of the whole country, will be built at Cap-de-la-Madeleine, close to her present shrine.

Mr. Speaker, may I draw a parallel to show that the people of Champlain county are living happily and rather comfortably in spite of a comparatively high rise in the cost of living.

You may rest assured that this rise does not frighten them in the least. To prove this, let us simply look at some industries, especially the paper mill, which is the pride of my district. The paper-machine operator earns $845 per month, because he works a full month, while, in 1931, he sometimes worked only two or three days a week, earning $200 a month. In 1942, on a six-day week he was getting $250 a month. The assistant operator earns $2.92 an hour, or $23.36 a day. Our paper-makers make up six categories, the first earning $2.45 per hour. Wages in the other categories follow a downward scale to $1.27 per hour, for the sixth category. Their wages are exactly 300 and sometimes 400 per cent higher than in 1932, and 100 per cent higher than in 1942. In fact the ordinary labourer or yardman at the paper mills now gets $1.26 per hour. That is the minimum wage in the paper industry.

In addition, working conditions are now completely changed, the workers enjoying a three-week vacation with pay, holidays with pay, a pension plan and improved sanitary conditions. In my constituency, machinists, casters and pattern-makers get $1.78 an hour, compared with 60 and 78 cents in 1942. In my own city, young girls in the textile industry are earning $37.50 per week, while they were earning only $9.60 in 1932 and $18.00 in 1942. Certain paper workers, those making paper bags, cement bags and such, were getting 50 cents in 1932 and 76 cents in 1942; they now get over $1.30 an hour, in 1951.

From 1930 to 1935, when the Tory party was running this country, our workers were compelled to queue up outside city halls to be handed welfare tokens worth $5.60 per week. At night they headed for the Meurling shelter or the breadline. In spite of the high cost of living, do you think that our people would change their present situation? Do you think that our people, in spite of the high cost of living, would exchange their present conditions with high salaries, obviously easy circumstances, social legislation which our government can be proud of, such as family allowances, old age pensions, blind persons' pensions or unemployment insurance, for the misery they underwent during the days of the Tory regime, between 1930 and 1935? At that time our country was going hungry under mountains of wheat which it had no money to buy. In every walk of life, from the lumberjack in the forest to the highly-paid workers of our factories, large and small, the standard of living has risen in such a way as to cause them to forget the increased cost of living. We therefore hear few complaints levelled at the present administration. On the contrary the people are happy to possess the leader, the cabinet, and the administration they now enjoy. They would be quick to take offence at the various doleful ballads which the hon. members of the opposition have been singing into our ears. That is what I have to say about workers and working

conditions generally as compared with the rise in the cost of living and even inflation.

May I be allowed to bring to the notice of the government the question of national health. A few years ago a grant of thirty million dollars, to be spread over five years, was voted by the government at Ottawa with a view to assisting in the erection of hospitals. My own constituency has already received a grant of $139,500 for the construction of our hospital at Cap-de-la-Madeleine and this grant has been paid in cash. When these grants are compared with those of the Quebec provincial government, which are spread over a period of 20 years, it will be seen that, during that period, the religious orders which benefit from these latter grants pay as much in interest as the amount of the grant itself.

My plea to the Minister of National Health and Welfare (Mr. Martin) deals with the establishment of cancer prevention clinics in the big hospitals of our large centres. A few days ago, I visited a sick relative at the Montreal Radium Institute. At that time, this institute was celebrating the twenty-fifth anniversary of its foundation and I was grieved to see the difficult conditions under which the sick are treated. The former city hall of an erstwhile bankrupt municipality is used as a hospital. There are only two private rooms and even these contain two beds. The rest is made up of a public ward for men and another for women. There is only one lavatory for the men and the same condition exists for the women. Those patients however are taken care of by specialists who reflect credit on our race.

The Quebec provincial government continues to turn a deaf ear to the reiterated requests of the medical profession which is loudly demanding a modern hospital. Hundreds of patients are waiting for their turn, due to a lack of space, and in the meantime their ailments get worse. And, in the case of cancer, a few weeks' delay in getting treated is enough to make the treatment useless and the disease incurable.

May I therefore be permitted to request the minister to grant to certain hospitals in our large centres the assistance required for the establishment of cancer clinics or simply to allow radium treatment for the patients. Let scholarships be given to our young doctors so that they may specialize in the large centres. Last year, more than 16,731 persons died from cancerous diseases in Canada and among that number more than 500 were from the province of Quebec.

It is time to wage a relentless war against that disease to eradicate it, as was done in the case of tuberculosis. There again the provincial governments should get together with the federal government in order to put up a common front in this battle.

I wish to say a few words about the National Housing Act. The government should spare no effort to facilitate the construction of houses if they do not want the country to face a few years hence a greater crisis than in 1945. Houses do not cost appreciably more than they did two years ago, especially if the payments are spread over a period of twenty years. There again, the only obstacle is that the down payment is too high. All industrial areas in Canada should be considered as defence production areas. Indeed in each of those areas industry is producing for this new defence department.

In addition, there are 80 housing co-operatives in our province; unfortunately, only half of them operate because the members are unable to pay the down payment now required. There are 6,000 members of these co-operatives and 1,200 only are house owners. In addition, an equal number, 6,000 people, are on a waiting list expecting to join the co-operatives or waiting for projects to materialize.

In the Mauricie district, where co-operatives are well developed, only 400 units consisting of single houses and duplexes were built in the city of Three Rivers. At Cap-de-la-Madeleine, the La Familiale co-operative, in operation for just about a year, put up 25 single houses the first year. It will reach the 60 units mark in two years. Under the national housing legislation, the Compagnie de construction Sainte-Madeleine built 48 houses this year and aims to build others next year at the same rate. All in all 120 new houses will be built at Cap-de-la-Madeleine as a result of this legislation.

I therefore ask the Minister of Resources and Development (Mr. Winters) to facilitate the administration of this law, as far as the working class is concerned, by reducing the down payment. The government and the people would thus be relieved of a burden which threatens to become very heavy indeed. Family, society, public health, happiness and family spirit all benefit from home ownership.

I might add that my constituency has one of the finest of veterans' establishments, thanks to the understanding and the spirit of good will which inspired our municipal administration—which I presided over at the time—and the Department of Veterans Affairs. Thanks to this plan more than eighty veterans have benefited from the act and the advantages it provides.

From the agricultural point of view, there is only one threat to our farmers, that is the disappearance of our herds. Because of the high cost of meat, our breeders are now selling their stock at a high price. There might however be a real danger in this; this might constitute a serious threat to our dairy industry. On the other hand, our farmers as a class seem to be fairly comfortable. Farmers' sons are more apt to stay on the farm and even to start farming on their own. Should the farm loans act be amended to permit more loans to be made in the province of Quebec, it would help to develop what constitutes our real source of wealth, the soil.

I wish to congratulate the government for having adopted the recommendations of the Massey commission. I think we should ignore narrow-minded persons who sometimes criticize what is beyond their grasp and who, instead of considering the advancement of science in this country, think only in terms of politics. On one particular Sunday afternoon one premier in particular was praising the Massey report at the very moment when, in another part of the province, one of his ministers was ranting against it. Provincial rights in matters of education must be respected, but how can they be impaired when they are not even remotely touched upon? Those grants have nothing in common with the patronage seen in some of the provinces, in my own, for example, where the government is more inclined to put up buildings than to make a moral contribution to the cause of education and health. Federal grants will allow the creation of faculties leading to university degrees: they will enable universities to hold professors now eager to leave because they earn four times as much in their private practices. In philosophy, theology and canon law our teachers are the equal of, and some even say superior to, their European opposite numbers. And yet, these faculties were built up at great sacrifice by the boards of governors of our universities. These boards of governors will be able to make the same effort with respect to letters, arts and sciences and thanks to those statutory grants they will be relieved from future financial worries. The government do not require that only their chosen representatives sit on those boards of directors; they do not require, as a condition to the granting of larger sums, that director so-and-so be removed, as is sometimes done in the province of Quebec. It is simply and purely financial aid. It would be denying advancement to one's race to oppose those grants; it would be impeding the progress of arts and sciences in this country; it would be depriving our own talented people of the education that this aid to our Canadian universities might give them whereas they are now compelled to seek that education elsewhere. The legislation may not be perfect. Amendments may be enacted later, if not immediately, as certain provinces with few students will receive large grants whilst others with many students will receive smaller grants. To my mind this grant should be evenly distributed and based on the number of pupils per province.

In conclusion, Mr. Speaker, I wish to thank the government for what they have done for my constituency, in the field of social legislation or through the establishment of war industries which are today operating under private management. I also wish to thank them for having established there an airport which grows more important every day and which should soon become as active as it has been heretofore. The people of my constituency, Mr. Speaker, are happy to live under an administration led by such a great leader.

(Text):

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, it certainly is not my intention to delay the taking of the vote, because I feel that probably this debate has lasted long enough. In my view the reason we have had so many speakers making several speeches is that not many cabinet ministers have taken part in the debate, and we have not had many answers. However, in fairness we can say that many of them have been travelling all over the world, and probably have not had an opportunity to take part.

I should like to speak about the Minister of Finance (Mr. Abbott). I appreciate the fact that he has been doing very important work in Europe, but I would like to think that when he returns he will have a chance to read in *Hansard* some of the remarks that have been made by numerous members on all sides of the house with respect to credit restrictions on automobiles. I think it is

pretty well recognized by all of us that motor car dealers in Canada have had a difficult time. I would like to feel that when he returns he will give sympathetic consideration to representations that have been made not only on their behalf but on behalf of the people who buy automobiles. I would point out, as I did in my first speech in this debate, that the factory cost of an automobile should be the determining factor, when one has to put up 50 per cent of the purchase price of it.

In my earlier speech I said that in my riding a logger who wanted to buy a new automobile had to put up $200 more in cash and pay about $18 more per month to purchase an automobile than would a citizen at Windsor or Oshawa. I appreciate the fact that this government is not going to do anything about equalizing automobile costs throughout the country. I feel, however, that the people in my constituency should not have to put up that extra $200 or the extra $18 per month because of the credit restrictions. I would ask the parliamentary assistant to call that matter to the attention of the minister when he returns. I should also like to point out to him, as I did in my first speech, that there is no public transportation system in my riding, as is the case in a great many other rural ridings in Canada. I should like him to see if there is any possible way of lifting the present credit restrictions on used cars. I am sure it would be of great assistance to the motor industry and, despite anything the economists may say, that it would contribute nothing to inflation; and we would not have large numbers of used cars lying around which could be put in service.

There is one other point I should like to mention. I want to commend the hon. member for Vancouver South (Mr. Laing) on the fine statement he made as to the feelings of the maritimes and the west with regard to the St. Lawrence seaway project. I hope the government will not feel, by virtue of the fact that they have a substantial surplus this year, that they should make this year's taxpayers pay for the whole cost of the seaway out of the surplus. I hope the government has no idea of making the surplus look smaller by a process of that kind. I should also like to express my appreciation of the views of the hon. member for Vancouver South with respect to the necessity for continued public works in both the maritimes and the western provinces. I certainly must say that so far as the people of Comox-Alberni are concerned, they have received very fair treatment from the government in this regard, and I hope that will continue. I should like to send to the Minister of Public Works (Mr. Fournier) a photograph that I have. When the time comes for the estimates I am sure he will give this matter careful consideration. I should like to send him a picture of the breakwater at Campbell River showing the tremendous congestion experienced there by the fishing fleets in trying to obtain safe mooring. We have asked him several times for an appropriation for dredging at this particular spot, and I would request him to give the matter serious consideration this year.

I have one other proposal. I am not going to enumerate all the things Comox-Alberni needs because it would take a great deal of time, and I would not want to wear out the patience of the house and the minister. However, I should like to refer to the small-boat basin at French creek. I have a petition from a large number of residents of Parksville and the Qualicum area asking the minister's consideration of further dredging at that point, and I would ask him to give the matter his usual careful attention.

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

YEAS

Messrs:

Argue	Hees
Aylesworth	Herridge
Beyerstein	Jones
Blackmore	Knowles
Blair	Lennard
Brooks	Low
Browne (St. John's West)	Macdonnell (Greenwood)
Bryce	MacInnis
Casselman	MacLean (Queens)
Catherwood	McLure
Charlton	Noseworthy
Churchill	Nowlan
Diefenbaker	Quelch
Dinsdale	Ross (Souris)
Fair	Thatcher
Fairclough, Mrs.	Tustin
Fraser	White (Hastings-Peterborough)
Gillis	Wright
Green	Wylie—39.
Hansell	

NAYS

Messrs:

Anderson	Cavers
Arsenault	Chevrier
Ashbourne	Claxton
Balcom	Cloutier
Bater	Corry
Beaudoin	Cote (Verdun-La Salle)
Benidickson	Crestohl
Bertrand	Croll
Blue	Cruickshank
Boisvert	Dechene
Boucher	Decore
Bradette	Dickey
Bradley	Dion
Brisson	Dumas
Brown (Essex West)	Dupuis
Bruneau	Eyre
Byrne	Fournier (Hull)
Carroll	Fulford
Carter	Gardiner
Cauchon	Garland

Garson	McIlraith
Gauthier (Lake St. John)	McIvor
Gauthier (Lapointe)	McLean (Huron-Perth)
George	McWilliam
Gibson	Major
Goode	Mayhew
Gour (Russell)	Mott
Gregg	Murray (Oxford)
Harris (Grey-Bruce)	Mutch
Harrison	Richard (Ottawa East)
Helme	Riley
Henry	Robinson
Hetland	Rochefort
Hosking	Rousseau
Huffman	Simmons
James	Sinclair
Jutras	Sinnott
Lafontaine	Smith (Moose Mountain)
Laing	Stick
Langlois (Gaspe)	Stuart (Charlotte)
Lapointe	Studer
Leduc	Tremblay
Leger	Valois
Little	Warren
Macdonald (Edmonton East)	Weaver
	Weir
MacDougall	Welbourn
MacKenzie	Whiteside
MacLean (Cape Breton North and Victoria)	Whitman
	Winkler
MacNaught	Winters
McCann	Wood—103.
McCulloch	

Mr. Graydon: I was paired with the Secretary of State for External Affairs (Mr. Pearson). Had I voted I would have voted for the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have voted for the amendment.

Mr. H. R. Argue (Assiniboia): Hon. members will know that for the past number of weeks I have repeatedly advocated that the government should take steps to assist farmers in financing the crop that is out under the snow, and should also make advance payments on farm-stored grain. I believe the government has delayed too long in bringing in legislation or making an announcement of the steps it intends to take. From a radio news report over the week end I learned that the Minister of Trade and Commerce (Mr. Howe) had announced in western Canada that steps would be taken at this session of parliament to help farmers who were in financial difficulties because of unthreshed grain. As a result of that news report I asked the Prime Minister (Mr. St. Laurent) the following question on the orders of the day:

> In view of the radio news reports concerning an announcement made by the Minister of Trade and Commerce in the west over the week end, can the Prime Minister say whether legislation will be introduced at this session to provide payments on farm-stored grain and financial assistance to farmers with grain out under the snow?

To that the Prime Minister replied that he was not in a position to announce such legislation. The government was having the matter investigated, and just as soon as the government came to a decision the Prime Minister would advise the house. Opposition members have criticized a statement reported to have been made by the Minister of National Defence (Mr. Claxton) while in Europe. Today the Minister of National Defence said he thought important statements of government policy should be made in parliament. I certainly agree. When the government is prepared to make important announcements of government policy, and when parliament is in session, those announcements should be made here.

I have reports in two dairy papers of an announcement credited to the Minister of Trade and Commerce. Let me say that, while I do not feel the reported announcement goes far enough, I hope the government will do what has been announced. But it seems strange to me that the minister could make an announcement in western Canada concerning legislation that would be brought down during this session of parliament, and the Prime Minister have no knowledge of a government decision concerning that legislation. The report in the Winnipeg *Tribune* is headed "Grain Growers to Get Early '52 Aid." The front page of the Winnipeg *Free Press* had a big heading "Farmers May Get Aid Early in '52". The article has this to say:

> Right Hon. C. D. Howe, trade minister, said Friday that financial aid for distressed prairie grain growers is in prospect for early in the new year.
>
> The minister, in charge of grain marketing, said at the annual meeting of the Alberta wheat pool he is prepared to recommend legislation for interim credit for farmers with unthreshed grain and those who, for one reason or another, have been unable to deliver their grain to country elevators.
>
> Mr. Howe said the legislation would be introduced at the current session of parliament in the expectation the plan would be in operation by the early part of January.

Mr. Diefenbaker: He must have had a cabinet meeting out west.

Mr. Argue: Yes, the Minister of Trade and Commerce must have had a one-man cabinet meeting out west. This afternoon the Prime Minister said no decision had been reached as to a method of financing farmers with grain out under the snow or stored in the granaries. According to this Canadian Press dispatch the Minister of Trade and Commerce said that legislation would be introduced at the current session of parliament in the expectation that the plan would be in operation by the early part of January. I thought that since the Minister of National Defence had made a statement in Europe, and had been castigated over that reported statement, every cabinet minister would be

most careful that he did not announce government policy outside of parliament while the house was in session. I cannot understand why the Minister of Trade and Commerce should have any right to make a statement of government policy in Calgary, when the Prime Minister says that no decision has been made concerning that announced policy.

All I can do now is ask the Prime Minister if he knows what legislation the government intends to introduce this session in order to finance the grain that is out under the snow, or finance the farmers with crops in the granaries. Does the government intend to introduce this type of legislation? Will the government's plan, as the Minister of Trade and Commerce has said, come into effect next January? I hope the announcement will be made, and I hope it is a good announcement. But I cannot object too strongly to one cabinet minister making an important announcement of government policy outside of parliament when the Prime Minister says the government has made no decision in that regard. Whenever the cabinet meeting is held, and whenever a plan is considered, I hope it may be brought into effect before January. Christmas is coming, and parents like to buy gifts for their families and friends. The local storekeepers like to receive something on their charge accounts before Christmas, so they too may have an enjoyable Christmas. Surely if this plan is to come into effect, it should come into effect immediately. Farmers should not have to wait until early January.

This much is not clear. If the government does in fact bring in such legislation, will it provide for an advance on grain stored on the farms? I hope that is done. Some such legislation should be permanently on the statute books of Canada, and it should provide that farmers can receive 75 per cent of the potential price as an advance on farm-stored grain. The situation we have had this fall—congested elevators, farmers unable to deliver even their small initial quota, farmers having to truck flax and other grains as much as 75 miles away from their local delivery points in order to get a few dollars—is nothing new. We had the same type of congestion and the same situation one year ago; it was experienced perhaps to a lesser degree, nevertheless it was a serious situation of the same kind.

I believe it is time we had on the statute books of Canada legislation whereby in the fall a farmer who has threshed his grain can obtain a 75 per cent advance on the initial price. When there is a situation such as we have today, where farmers are unable to market their grain through no fault of their own, when the government's transport controller has been unable adequately to cope with the situation, at a time when the farmers have millions upon millions of bushels of threshed grain in their yards, in their fields and in their granaries but are unable to deliver that grain, they should be able to get a 75 per cent advance of the initial price without interest charge to the farmer. If the farmer had an opportunity to market his grain or if there was space in the local elevators, I would say that he should not ask for a 75 per cent advance without cost merely because he might find it inconvenient or difficult to deliver his grain at that time. But where farmers, through no fault of their own, are unable to market their current crop the government should bring in legislation to provide a 75 per cent advance of the initial price without interest cost to the farmers.

I had expected, Mr. Speaker, that an announcement in this regard would have been made long ago. On November 5 I asked the Prime Minister (Mr. St. Laurent) whether the government had then reached a decision on making an advance on farm-stored grain. The Prime Minister replied as follows, as reported at page 696 of *Hansard*:

> No; no firm decision has yet been made. The whole situation has been and is under serious consideration by the wheat board and the Department of Trade and Commerce. When a decision is arrived at, it will be announced in the house without its being necessary to prompt that announcement.

That is no doubt true. But even with a good deal of prompting we cannot get an announcement from the Prime Minister. We get, however, an announcement by the Minister of Trade and Commerce (Mr. Howe) out west at a time when parliament is in session.

Then on November 12 the Minister of Agriculture (Mr. Gardiner) delivered a speech in the house in which he had quite a little to say about the serious problem facing western farmers at the present time. The Minister of Agriculture even went so far as to suggest that one of the reasons farmers were having difficulty in harvesting their crops was that they were using such large equipment that they could not seed or put in their crops at the proper time in the spring. Such a suggestion cannot be taken too seriously. If it were not for the technological advances in agriculture, if farmers did not have tractors and other large modern machinery, probably they would not have seeded any more than half the 1951 acreage on time. No matter what the farmers may think of the advice of the Minister of Agriculture on other matters, I am sure they will pay little attention to his advice on the

type of equipment a farmer should use. They are not going back to the horse and buggy days.

The Minister of Agriculture informed the house that he was going west, that he would have a meeting with the Saskatchewan wheat pool delegates and that at that time there would be under consideration steps the government could take in order to alleviate this situation. The Minister of Agriculture made that trip west and he spoke to the wheat pool delegates in session. According to the report in the press he said to the delegates: If you have any suggestions to make to me, as Minister of Agriculture, about ways and means of financing this year's crop and of helping to correct this situation, I should like to hear them. He was given the views of the wheat pool delegates. The Minister of Agriculture had another conference in Regina. As a result of that conference there is a front page picture in the Regina *Leader-Post* of Saturday, November 17. Right under the photo we find the following text:

Farm aid meeting: How to give financial help to farmers who have been unable to harvest the 1951 crop was the subject Friday afternoon at a meeting in the executive council chamber at the legislative building. Shown above in the premier's office are (left to right) C. H. Fisher, Lipton, president of the Saskatchewan Association of Rural Municipalities; Les Bright, Regina, secretary of the Saskatchewan Federation of Agriculture; Federal Agriculture Minister James G. Gardiner, and Premier T. C. Douglas. Also at the meeting were C. G. Bryden, Regina, secretary of S.A.R.M., and members of the Saskatchewan cabinet.

The Minister of Agriculture met with the Saskatchewan wheat pool delegates on Friday, November 16. On the same date he had a meeting with the Saskatchewan government and other representatives of the farm movement in Saskatchewan. As I say, that was on November 16. As we all know, following that meeting or shortly after it the Minister of Agriculture made a trip to Rome, Italy, in order to take part in the food and agriculture organization conference over there. Twelve days after the minister's meeting in Regina, that is on November 28, I asked the Prime Minister, as reported at page 1400:

Has he received a report from the Minister of Agriculture (Mr. Gardiner) of the meeting he held in Regina with provincial government representatives and farm leaders on methods of assistance to western farmers?

Is the Prime Minister in a position to announce financial aid to farmers on unthreshed grain as forecast by the Minister of Trade and Commerce on November 15?

Right Hon. L. S. St. Laurent (Prime Minister): The answer to both questions is no.

The Minister of Agriculture announced in parliament that he was going out west to meet farm leaders. He went out west and met those farm leaders. Following that meeting he had a meeting with Saskatchewan government officials and other farm leaders to discuss ways and means of providing financial assistance to prairie farmers in this year of emergency, and the Minister of Agriculture never reported on the meeting to the cabinet. The Minister of Agriculture went to some other place. I wonder what the purposes of these meetings were, the meeting with the premier of Saskatchewan—

Mr. Gardiner: I want to put my hon. friend in possession of the facts. I made my report to the minister concerned, namely the Minister of Trade and Commerce.

Mr. Wright: He made his announcement in an interview.

Mr. Argue: The Minister of Agriculture says he reported to the Minister of Trade and Commerce. But the Minister of Trade and Commerce also failed to report to the government. Is that any better? If two of them make a mistake, is that any better than for one to have made a mistake? I do not think so. I do not think any minister of the government should announce in parliament that he is going out west, or to some other place, to meet a farm delegation to discuss certain matters, and twelve days later fail to have reported on the matter to the government. What purpose could be served by the Minister of Agriculture having that meeting, taking up the time of important people, taking up the valuable time of hundreds of wheat pool delegates, when he has made no report to the cabinet of his discussions?

I wonder, Mr. Speaker, whether you would call it 6.15 o'clock?

Mr. Sinnott: No.

Mr. Cruickshank: Take all the time you wish; take a couple of weeks.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Argue: If it is not the wish of the house, Mr. Speaker, to adjourn at this time I do not mind speaking for another three minutes until it is 6.15 o'clock.

Mr. MacInnis: The hon. member for Fraser Valley (Mr. Cruickshank) and the hon. member for Springfield (Mr. Sinnott) do not want to hear the farmers' case put to the house.

Mr. Sinnott: Do not worry about the member for Springfield; he will look after himself.

Mr. Argue: As I said, this situation is serious. It has not developed in the last few weeks. It is a situation that most westerners

knew would come as far back as last spring, if we again had a large crop. In April of last session I asked the government to appoint a controller to relieve the box car situation. The government did nothing in that regard for a few months. Finally a controller was appointed. During this session I have been pressing the government to remove the congestion at elevator points, particularly at those points on the Canadian Pacific Railway lines. Anyone acquainted with the situation out there knows the congestion is generally much more severe at Canadian Pacific Railway points than at Canadian National Railway points. I have had letters from Saskatchewan farmers suggesting to me that if by appointing a controller the government cannot get the Canadian Pacific Railway to provide ample cars to move farmers' grain, they should take stronger steps and nationalize the Canadian Pacific Railway. The situation is truly desperate, Mr. Speaker, and so far the government has done very little to relieve the present hardship amongst western farmers.

Mr. Noseworthy: Six-fifteen.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Argue: Mr. Speaker, there are just two other matters in connection with wheat I should like to emphasize at this time, before I go on to deal with the matter of farm income tax. We in this group were pleased indeed with the affirmative vote given by the Manitoba farmers in the plebiscite when they were asked whether they wished the Canadian wheat board to continue the marketing of coarse grains. Eighty-nine per cent of the farmers of Manitoba voted in favour of the wheat board method of marketing coarse grains. I feel confident that if such a vote were held in Saskatchewan we would do even better than the farmers of Manitoba, and would register a 95 per cent affirmative vote for the wheat board.

If western farmers believe so strongly in the wheat board method of marketing grain, then I say there is no longer any excuse, if indeed there ever was one, for the government allowing the grain exchange to stay open now and gamble in flax and rye. I say the grain exchange should be closed, and closed permanently, and the method by which it can be closed is for the government to amend the Canadian Wheat Board Act, as I hope it will, to include flax and rye under the operations of the wheat board. I feel also the time has now come when the government should direct the wheat board to cease using the grain exchange in selling oats and barley. Through the Manitoba vote the farmers in western Canada have demonstrated that they are unalterably opposed to the grain exchange. Therefore the government should now place the marketing of all forms of grain exclusively under the Canadian wheat board.

I wish to say further, as I have already on a number of occasions this session, that the government cannot justifiably hold down to the international wheat agreement ceiling the price received by producers for domestic wheat. The international wheat agreement ceiling is now over 50 cents a bushel below the price received by the Canadian wheat board for class II wheat. The United States government gives the United States farmer the highest price, even though that government has to pay its farmers from the federal treasury as much as 73 cents a bushel on the wheat they produce. I say the very least the government of Canada can do is meet the request of the Saskatchewan wheat pool and the farmers' unions that the price of domestic wheat be increased at least to the extent of the increase in the farmers' cost of production.

I now come to the matter of farm income tax and the unfair and almost scandalous manner in which, through the Department of National Revenue, the government has collected very high income tax from farmers in certain provinces, but has failed almost completely to collect income tax from the farmers in certain other provinces. As a member representing a farm constituency I take second place to no one, either in the past or at present, in advocating that farmers should be assessed fairly for income tax purposes. In the past I have spoken out for increased exemptions to farmers, urging that certain items should be considered as expenses, and I am glad to say the government has gone a long way toward meeting those requests.

I believe the government could take other steps by allowing certain improvements on the farm as current expenses, rather than as additions to capital value. Having said that, however, I wish to object most strenuously to the way the government has gone about collecting income tax from farmers. I noticed with a good deal of interest a return brought down a few days ago in answer to a question placed on the order paper by the hon. member for Battle River (Mr. Fair). I congratulate him upon having brought the matter of income tax in respect of farmers to the attention of the government.

I have here a table prepared from income tax statistics and from certain figures in the return brought down for the hon. member for Battle River, and I have been wondering whether, to aid discussion, I might have it placed on *Hansard*.

Mr. Speaker: Has the hon. member unanimous consent to have this table placed on *Hansard?*

Some hon. Members: Agreed.

Mr. Argue: The table is as follows:

Province	Income tax paid by farmers on 1949 income	Net farm income 1949 (million $)	No. of farmers and stock raisers (i) (including active service) 1941 census	Net income per farmer and stock raiser	Income tax paid per farmer and stock raiser
	$	$	$	$	$
Manitoba	1,585,000	146·5	54,739	2,678	28·95
Ontario	1,940,000	441·2	161,607	2,730	12·00
Quebec	51,000	250·9	134,013	1,872	·38
Saskatchewan	6,647,000	378·5	125,548	3,015	52·94
Alberta	7,153,000	278·5	93,843	2,968	76·22
British Columbia	544,000	54·2	25,252	2,146	21·54
New Brunswick	11,000	32·1	24,751	1,297	·44
Nova Scotia	33,000	21·1	22,683	930	1·46
Prince Edward Island	4,000	12·8	10,492	1,220	·38

(i) Includes persons reporting farming and stock raising as their main occupation.

Hon. members will note that the table shows the amounts of income tax collected by the government, by provinces. These figures are for the income of 1949, and it will be noted from the table that in Manitoba the income tax paid by farmers in that year amounted to $1,585,000; in Ontario, $1,940,000; in Quebec, $51,000; in Saskatchewan, $6,647,000; in Alberta, $7,153,000; in British Columbia, $544,000; in New Brunswick, $11,000; in Nova Scotia, $33,000 and in Prince Edward Island, $4,000. Of course one does not expect the department to collect the same amount of income tax in each province. The amount of income tax collected from the farmers of any province will depend upon the number of farmers, and the average income received.

Mr. George: And the amount of wheat raised.

Mr. Argue: The amount of wheat raised has nothing to do with the income tax. It is the net income received from wheat and other farm products in a given year. The table I have placed on record goes on to show that in 1949 the average net income per farmer in Manitoba was $2,678. In Ontario in the same year the net income per farmer was just a little greater, $2,730, but the department collected almost two and a half times as much income tax per farmer in the province of Manitoba as it collected in the province of Ontario, even though the average net income per farmer was somewhat higher in the province of Ontario. It is easy to see from these figures that while the department made a real endeavour to collect all possible income tax from farmers in Manitoba the department has made nothing like the same effort—

Mr. McCann: The same effort.

Mr. Argue: —to collect income tax in the province of Ontario.

Mr. Low: If they did the effort was a failure.

Mr. Argue: It was a real failure. The Minister of National Revenue (Mr. McCann) cannot give a good reason why the farmers of Manitoba should pay two and a half times as much income tax as that paid by the farmers of Ontario, when the Manitoba farmer received a smaller net income for the year. There is no answer to that statement.

I come to the province of Quebec where the farmers earned somewhat less, an average net income of $1,872 for the year

1949. Out of an average net income per farmer of $1,872 in the province of Quebec the government has collected the fabulous sum in income tax of 38 cents per farmer.

Mr. Proudfoot: What about the number of dependents in the province of Quebec compared with other provinces?

Mr. Argue: I know families are larger in Quebec. I admit that. I know that on a per farm basis the farmers of Quebec cannot be expected to pay as much income tax as other farmers—

Mr. Sinnott: What are you complaining about, then?

Mr. Argue:—but look at the average net income per Quebec farmer in that year. It is $1,872. Let us take a look at Nova Scotia. The average net income of farmers in that province is nothing like $1,872. It is $930, less than half the average net income of the Quebec farmer; but instead of paying 38 cents per farmer in income tax the farmers of Nova Scotia paid $1.46. The Nova Scotia farmer paid almost four times as much income tax as the Quebec farmer, and on half the income.

Mr. Proudfoot: What about their dependents?

Mr. Argue: The difference is not that great. If my hon. friend thinks the difference is that great, he has even less intelligence than I give him credit for having.

Mr. Proudfoot: What is the difference then?

Mr. Low: We would like to find out.

Mr. Argue: Let us look at the income tax paid by the British Columbia farmer. On the average he has fewer dependents than the Quebec farmer, and he earns almost $300 more per year than the Quebec farmer. He earns $2,146 per year; but with one-fifth as many farmers in British Columbia as in the province of Quebec the British Columbia farmer pays almost sixty times as much income tax. From these statistics it is pretty clear that the government is playing politics in the income tax department so far as farmers are concerned.

Mr. McCann: You are crazy.

Some hon. Members: Shame.

Mr. Argue: Everybody knows that the bulk of the government's support comes from Ontario and Quebec, and comparatively speaking very little effort is made to obtain income tax from the farmers of those provinces—

Mr. Harris (Grey-Bruce): Oh, nonsense.

[Mr. Argue.]

Mr. Argue: —compared with the income tax collected in the four western provinces and in the province of Nova Scotia.

An hon. Member: Whom are you trying to fool?

Mr. Argue: I believe that certain things are necessary—

An hon. Member: Why don't you move there then?

Mr. Argue: —by way of increased exemptions for farmers so far as income tax is concerned; but when the government of Canada lays down a law I for one believe it should be applied equally to all people in all provinces of Canada. I do not believe the income tax law is being applied in that manner. For the consideration of the house I should like to move, seconded by the hon. member for Melfort (Mr. Wright):

That the following words be added to the address:

"This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain."

I move this amendment because I think such a provision is absolutely necessary. I move it because, in spite of repeated requests I have made to the Prime Minister (Mr. St. Laurent), the government has failed to date to make the necessary announcement.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I had no intention of speaking in this debate at all until—

An hon. Member: Why?

Mr. Brooks: You won't say anything, so don't worry.

Mr. Sinnott: —the very inexperienced young member for Assiniboia (Mr. Argue), with his fantastic statements, with his pretence of farming ability—

An hon. Member: What do you call yourself?

Mr. Sinnott: —made so many accusations in the house tonight. He reminds me of the little boy crying for Castoria. When he thinks he has something that will be of political advantage he comes crying on the steps of the government to give and give and give.

An hon. Member: He is not peddling oil.

Mr. Sinnott: In my opinion the time to come to the government for assistance is after every effort has been made by the individual himself. With the break in the weather in the west at the present time, many hundreds of thousands of acres are being harvested. I checked in *Hansard* on what the hon. member for Vancouver East (Mr. MacInnis), who talks as if his mouth was full of potatoes, said

about my not wanting the farmers' case to be put forward in the house. I want the farmers' case to be put forward in the house, but in such a way that the house will understand it in the right light.

Mr. Brooks: Start all over again.

An hon. Member: You had better sit down.

Mr. Sinnott: I am not like the hon. member for Vancouver East. He made the statement in the house that he had never hired a man and never would. I want to know how Canada can progress under such conditions.

Mr. MacInnis: They made progress by hiring me.

Mr. Sinnott: Your job won't last long after the next election.

Mr. MacInnis: Oh, I have heard that before.

Mr. Sinnott: It is quite easy to understand that, with the equipment we have to harvest grain at the present time, all the grain cannot be harvested, delivered and stored at one time. It is only reasonable to believe that the farmers of western Canada generally, as in my own constituency, have the balance of the year in which to deliver their grain. So far as the amendment moved by the hon. member for Assiniboia is concerned, it is just a political dodge to try to make his position secure in his own constituency, and I am not falling for it. I will vote against his amendment.

Mr. P. E. Wright (Melfort): Mr. Speaker, I should like to say a few words on the amendment, but in doing so I am not going to reply to the hon. member who has just resumed his seat because I think his words are answer enough to themselves. The amendment moved by the hon. member for Assiniboia (Mr. Argue) concerns a matter which has had considerable attention over a number of years. Some eight or nine years ago legislation was passed in the United States under which they pay up to 90 per cent of the floor price for grain stored on the farm. That has worked most successfully in getting deliveries of grain spread over a period of time rather than having it all rushed to market immediately after being threshed.

That has been one of our great difficulties in western Canada in the last two or three years, particularly when large crops have been harvested under adverse conditions resulting in a serious piling up of grain at both country and terminal elevators. This is due in large part to the fact that the grain is out of condition, and when grain is out of condition it takes more working space in both the country and terminal elevators in order to handle it. The result has been congestion all along the line.

As the hon. member for Assiniboia has said, last year we asked that a controller be appointed to relieve the situation, which was serious at that time. The government delayed taking action but finally did appoint a controller to relieve the congestion which existed this year. That controller has done a reasonably good job and has tried to keep grain moving. Last year the principal bottleneck was at the head of the lakes. Boats were not available for wheat carriage, being mainly engaged in the hauling of ore. Boats could not be obtained at the proper time to take the grain from the terminal elevators at Port Arthur and Fort William. Even with the best the controller has been able to do this year a serious situation still exists in western Canada. I have in my hand a report from the last issue of the *Western Producer* of November 29, which states:

> Although harvesting operations have been virtually at a standstill during all of November, country elevator congestion has shown little improvement during the month. At the end of last week stock in store in Saskatchewan pool country elevators totalled 39,926,000 bushels as compared with 40,363,000 bushels one week ago and 41,589,000 bushels on October 31.

And again:

> Last week, Saskatchewan Pool Elevators Limited received 1,926 box cars for the entire system as compared with 1,686 for the previous week, but deliveries from farms also increased to 3,225,000 bushels as compared with 2,656,000 bushels the week before.

They are barely holding their position, let alone relieving it.

> Congestion in lakehead terminals presents a similar picture. With the close of navigation expected early in December pool terminals at the head of the lakes held total stocks of more than 11,000,000 bushels last week. At the peak period early in the month, stocks amounted to almost 15,000,000 bushels.

It goes on to give further statistics. As a result of the situation that existed, grain backed up on the farms, and farmers have not enough cash to meet their commitments to storekeepers and creditors. If the government would bring in some legislation to provide for payment for storage of grain on the farm it would not only relieve the situation this year to some extent but would be good permanent legislation.

I think the amendment is good, but to meet the situation that exists this year, some additional assistance is necessary. In the area which I represent approximately 60 per cent of the grain has not been harvested. It is lying out under six inches to one foot of snow, and it is doubtful whether much of it

will ever be harvested in the spring. The reports I have from that area indicate that probably 25 per cent of the grain will be lost. The crop was extremely heavy and is down so tight to the ground that it is almost certain to rot in the spring and not be harvested at all. Payment for farm stored grain, while good as permanent legislation, will not meet the situation as far as the average farmer in that or in certain other areas in Alberta is concerned. They are asking, and the Saskatchewan government is asking, for an advance on unthreshed grain, such advance to be paid back later when the grain is harvested. Even that would not meet the situation faced by many of the smaller farmers. Many of these farmers will not be able to harvest their grain, and any advance would be a charge against next year's crop. Many will hesitate under those circumstances to take a loan to meet the debts they owe to the local storekeepers and tradesmen.

I think something should be done in that area under the Prairie Farm Assistance Act. We in the north have been paying into that act ever since it was enacted, and have drawn little out of it. Now when there is what amounts to a complete crop failure in those areas they cannot qualify for assistance under that act. I think government inspectors should be sent into that area to determine just what the situation is and how much of the crop is likely to be harvested. If at all possible some of these areas should be brought under the act.

I should like to touch on one other matter this evening. A serious situation exists with regard to the drying of grain in western Canada. Up to the present the only drying equipment available has been that in the terminal elevators, which means that tough and damp grain must be shipped to the head of the lakes to be dried. Anyone who has had experience in handling damp grain knows that serious losses occur in movement. It often heats in transit or even heats on the farm before delivery. Up to the present time there has been no successful method to dry such grain on the farm. During the last three years in the United States a machine has been developed for drying grain on the farm or at the local elevator. The pool sent some delegates down to the United States this year to look over this equipment and see if it would be possible to bring some of it into this country to dry grain either on the farm or at the local elevator. The report of one delegation which went to North Dakota reads as follows:

> There is no doubt in the world of the need and the feasibility. The matter boils down to who and where, because there won't be many machines available for this winter. We saw a machine working on the same principle as the terminal dryers at a farmer's elevator; capacity 170 bushels per hour, 4,000 per day, continuous flow type burning 11 gallons per hour of No. 2 diesel fuel in a burner (injector type).
>
> They were drying 17 per cent moisture wheat down to 3·5 per cent. Originally installed price to them was $12,500, and operating costs on the above moisture content not over 2 cents a bushel. Depreciation would be very low because of the simplicity of the design.

Finally, here is what took place at the Saskatchewan wheat pool convention, as reported in the *Western Producer* of November 15:

> Saskatchewan wheat pool delegates, in session at Regina, took action to give full assistance and co-operation to any local grain drying co-operatives which may be organized to cope with the problem created by the large volume of tough and damp grain now on farms awaiting a chance of delivery.
>
> After hearing a full report from a wheat pool head office committee that had made an investigation into grain drying methods, the delegates passed resolutions calling upon the board of directors to continue to investigate the usefulness of all forms of grain dryers, and if found practicable, to offer local drying associations any assistance possible.

Some time ago I received a letter from one of these organizations concerning the possibility of bringing in this type of equipment. They wanted to know what the customs duty was and whether or not they would have to pay sales tax. I wrote the minister and asked him some questions with regard to the importation of this equipment. As hon. members may have gathered from the evidence this delegation obtained in North Dakota, this equipment will dry approximately 4,000 bushels of grain a day. This is more grain than one farmer has, and the machine costs about $12,500, which is more than one farmer can afford to pay. A number of districts decided they would form a co-operative group to bring in one of these machines to dry their grain. I asked the minister the following question: Would an individual farmer bringing in one of these machines for his own use have to pay the tariff? The answer was that he could bring in a machine for his own use. Then I asked the minister the following group of questions:

> 2. Can a group of farmers who are presently organized under a co-operative act in a province for the purpose of purchasing and using co-operatively other farm machinery purchase one of these machines duty free?
>
> 3. Can a co-operative farm, organized under a provincial co-operative act, where all of their operations are carried on on a co-operative basis, purchase such a machine duty free?
>
> 4. Can a group of farmers form a co-operative under a provincial co-operative act for the sole purpose of purchasing one of these machines for their own use, and bring such machine into Canada duty free?

The minister's reply to those questions was as follows:

From your letter, I assume you have in mind the stationary type of dryer, which is set up as a permanent or semi-permanent installation. Dryers of this design when imported by a group of farmers, by a co-operative association, company or miller, are dutiable at 22½ per cent ad valorem, under tariff items 427, 466a and 445k.

Bona fide manufacturers or producers, such as farmers, farmers' co-operatives and milling companies, would be permitted to obtain the grain dryers, with attached motive power, for drying their produce, sales tax free, under a certificate that they are to be used directly in the process of manufacture or production of goods. On the other hand, importation by companies doing custom work for farmers would not be entitled to the exemption, and the tax at the rate of 10 per cent on the customs duty paid value would be levied at the time of importation.

Gasoline engines and electric motors attached to the above-mentioned dryers are classified separately at 20 per cent and 22½ per cent ad valorem, under items 428c and 445g respectively.

There are also in use portable self-contained grain dryers mounted either on skids or on wheels. They are classified, when imported for use as stated above, either under tariff item 427 or 427a at 22½ per cent or 7½ per cent ad valorem, depending upon whether or not they are of a class or kind made in Canada. The attached motive power is classified separately under items 428c and 445g, as applicable.

As I stated in effect in the House of Commons on November 21, the department will accept entry of grain dryers imported for temporary use, under dutiable conditions, upon payment of duty and tax on one-sixtieth of their value for each month or portion thereof they remain in Canada, provided they are exported from Canada within six months from the date of entry, and provided they are being leased or rented, and not purchased outright. A minimum payment of $25, in each case, is required.

He states that any co-operative or company bringing in these dryers must pay the duty. I want to point out just what that means. In my constituency I have some twelve co-operative farms which are operated under the provincial co-operative act. Under this ruling of the minister these farms cannot import a dryer without paying the duty. On the other hand, an individual farmer may import one. Although the minister does not say so, his letter leaves the implication that if an insurance or mortgage company owned a considerable tract of land which was operated by a manager, the manager could import a dryer for use on that farm without paying the duty. I believe there is discrimination here. Co-operative farms should be allowed to import this equipment. There are farmers who have formed a co-operative for the purchase of farm machinery, and that is a piece of farm machinery which they should be allowed to import without paying the duty.

If we are to have weather such as we have had for the past two years, then dryers are going to become an essential part of farm equipment. Their importation duty free should be allowed, the same as other farm equipment, and certainly a co-operative farm should be allowed to import the equipment to dry their own grain. Otherwise there is certainly discrimination in this matter. I would ask the minister to give the subject further consideration, because I am quite sure there will be a considerable demand for this type of dryer in the next two or three years. They are not coming into Canada in competition with any machine made in Canada because none are made in this country. In my opinion they should come in duty free for use by groups of farmers in drying their own grain.

I should like to deal briefly with one other matter which arises out of the grain situation in western Canada. The hon. member for Assiniboia (Mr. Argue) touched upon it lightly. That is the fact that on many Canadian Pacific lines in northeastern Saskatchewan there have not been the number of freight cars available that should have been available during the last two harvesting seasons. This is not a matter which has just arisen this year. A year ago I wrote to the wheat board and the board of transport commissioners on this matter. Last year there were many points in northern Saskatchewan where the Canadian Pacific was placing so few cars that many farmers had to deliver their grain miles away from home at points on the Canadian National. I know that in my own area, particularly the point to which grain is delivered from my farm, there were over 100,000 bushels that should have been delivered to that point last year which were delivered to points on the Canadian National. The same condition prevailed on the Canadian Pacific lines running out of Prince Albert to Nipawin, Nipawin to Wadena and Prince Albert to Humboldt. Most of the points on these lines were short of box cars and the farmers in those areas had to deliver to Canadian National points. The same condition prevails again this year. The C.P.R. in those areas simply have not been playing the game with the controller, with the government or with the C.N.R. They have been using their box cars in areas where they could make a quicker turn around on the main line, taking the grain to Vancouver and to the head of the lakes; and as to the areas served by the C.N.R. and the C.P.R. jointly, the outlying areas in the northern parts of the province, leaving the C.N.R. to shoulder the burden in taking the grain out.

That condition has prevailed now for some eighteen months; and if that is the way the C.P.R. are going to act I would seriously suggest to the government that they should put some pressure on them. The government

have the means of doing that. The government are today probably the greatest shippers of freight or the greatest users of the facilities of our railroads. If the C.P.R. are not prepared to play the game with the government and the shippers in making available box cars in those areas, the government should give serious consideration to cutting down their use of the C.P.R. and transferring to the C.N.R. lines the freight they have for shipment. I would also suggest that if the C.P.R. refuses to place cars in those areas the farmers themselves should boycott the C.P.R. in other ways wherever possible; that is, with respect to C.P.R. telegraph, C.P.R. express orders and C.P.R. passenger service. The C.P.R. simply have not been furnishing reasonable service to those lines in northeastern Saskatchewan.

Another point with respect to those lines is this. Through their placing of cars the C.P.R. quite often are forcing farmers to deliver their grain to other than their own pool facilities. In many of these areas—and I know this is true in my own constituency—70 per cent, 75 per cent or 80 per cent of the farmers are pool members and want to deliver their grain to the pool elevators; but they find this situation: When the elevators are filled the C.P.R., in delivering box cars to that particular point, deliver car for car to each elevator there, although perhaps 70 or 75 per cent of the farmers in that area are pool members and would prefer to use their own facilities, their own pool elevators. But through their allocation of the box cars at that point the C.P.R. force the farmer to use the line elevators when he would prefer to use his own elevator. I believe that situation is unfair.

I think it is quite right that all elevators at a point should be filled in the first place. While space is available I think all the space should be used. But once that space is filled, cars should be allocated to these points on the basis of the wishes of the farmers in that area so they can deliver their grain to the elevator of their own choice. They are not able to do that at the present time. Some hon. member may get to his feet and say: "Well, you have your car allocation book or car order book. You can use that and get a car placed at whatever elevator you choose." That is not possible at the present time because under the quota system it is seldom that a farmer has a full carload of grain to deliver at one time. More particularly has that been true in these last two or three years, when the farmer has had three or four different grades of wheat on his farm. The result is that he never has a full carload of one particular grade to deliver at one time. He therefore cannot use the car order book unless he uses it in conjunction with one or more of his neighbours. This makes the position particularly difficult. I believe the transport controller should see to it that cars are delivered at elevator points in conformity with the wishes of the farmers who are delivering the grain at those points.

I hope the government will give serious consideration to the amendment moved by the hon. member for Assiniboia. As I said before, I do not think it goes far enough to meet the needs of all sections of the west at this time, but it is a step in the right direction. It is a good piece of permanent legislation which we should have on our statute books.

Mr. Victor Quelch (Acadia): Mr. Speaker, I certainly had not expected to speak again in this debate, but in view of the amendment that has been moved I feel obliged to say a few words. I was somewhat surprised that the hon. member for Springfield (Mr. Sinnott) should refer to this as a political amendment. To me a suggestion of that kind is idiotic. I am sure those farmers who today find themselves in the unfortunate position of having the greater part of their crop out in the snow or who, having threshed their crop, are unable to sell it, will not regard this question as a political one but rather as one of extreme urgency.

In the past we in this group have taken a stand similar to that advocated in the amendment. In other words, we have advocated that the government should institute a system of approved farm storage so that on that grain held in storage the government could make advances and at the same time pay storage on the grain. Provided that proper precautions were taken there would be little risk in such a proposition. For instance, we have to guide us the experience in the United States with respect to farm storage. The government could specify the type of storage upon which storage will be paid. The storage bins could be properly fire-guarded, fenced and insured, and such action would no doubt prevent a great deal of congestion in the elevators. At the present time I think we all realize that it would not be possible to insist upon the same precautions as would be required under a system of approved storage, inasmuch as we have the situation facing us now and the government have not already instituted a program of farm storage. The situation being what it is, I think the government should be prepared to make advances against all grain stored on the farms, provided of course that it is properly stored. I am not advocating that

advances should be made on grain piled up in heaps on the ground or in the fields, but rather on grain that the farmers have moved into some kind of building on the farm, so that it can be properly looked after. I am not advocating either that advances should be made on grain that is not in a marketable condition; that is to say, if the grain is already damp so that it has gone into a solid lump and cannot be marketed, we are of course not suggesting that advances should be made under those circumstances.

No doubt the government might say: How would the government know just what the situation was with regard to any particular farmer's grain? My reply would be that they could utilize field men on the spot; they could use the district agriculturists; they could use men from the Department of Veterans Affairs; they could use local committees of farmers and municipal officials. In many cases it would be quite possible to take the word of the farmer himself where that man is recognized as having a sound standing.

I was greatly interested in the statement made by the Minister of Trade and Commerce (Mr. Howe). I heard the statement over the radio, I think it was last night or the night before, to the effect that he had told the farmers at the annual wheat pool convention that at this session of parliament legislation would be introduced for the purpose of making advances to farmers against grain that had not even been threshed. I was surprised that we had not heard anything about it here in the house. I was certainly even more greatly surprised when the Prime Minister (Mr. St. Laurent) gave the reply he did to the hon. member for Assiniboia (Mr. Argue), because the Minister of Trade and Commerce is not an irresponsible individual. We all hold him in very high regard. Surely before the minister would make a statement like that he must have consulted the government. Surely he did not go out to Alberta and make a statement of that kind without having consulted either the Prime Minister or the rest of the cabinet ministers. Therefore I take it that when he made that statement it was apparently the result of conversations he had had with certain people, that he was summing up the situation as he found it; and then he made a statement to the convention.

The hon. member for Springfield said we should not be in too much of a hurry; that thousands of acres are being harvested every day. Evidently he did not read the amendment. The amendment applies only to grain in storage. It does not apply to grain that has not been harvested. The amendment reads:

> This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain.

Therefore it would have to be harvested before the amendment could become operative. On the other hand, whilst the hon. member says thousands of acres are being harvested, I would like to assure him that thousands and thousands of acres will never be harvested until next spring. There are large areas over which the snow fell almost continually for the best part of a month, and heavy winds whipped that snow into deep drifts. Even if you have many days of warm weather these drifts will remain, making it impossible to harvest the grain.

Mr. Sinnott: Go to your Premier Manning.

Mr. Quelch: Evidently the Minister of Trade and Commerce has a little more realistic understanding of the situation than the hon. member for Springfield, or he would not have made the statement he did. He realizes the extreme urgency of the situation, and he also realizes the tremendous difficulties facing the farmer, who has had the expense of a year's farming operations and now has his crop in the position where he cannot market it. You would not like to work for a year without wages and wait until the end of the year before you got your money. That is the situation many farmers are finding themselves in today.

I realize that advances against grain in the swath would have to be comparatively small. They would not be on the same scale as that advocated in the amendment, because there is a great deal of grain in the swath today that probably never will be harvested. It all depends upon the locations. Swaths in low lying lands, which are subject to flooding, will be in this position. The crop will be destroyed in the spring. On the other hand if the swaths are on land that drains well in the spring, provided it is well fenced so the stock will not get in and destroy it, it will fare better. There is every reason to expect that the crop will come off in the spring in exceptionally good shape. I know that last year many farms in the eastern part of the constituency that I represent came out in this way. Fifty per cent of the crop was left in swath last year, and the majority of that grain came through in really good shape. I heard from many local elevator men that actually the grain that was out in the

swath last winter was delivered to the elevators in better shape than the grain that was delivered in the fall.

Mr. Sinnott: That is quite correct.

Mr. Quelch: For the simple reason that it was dry. I realize you could not just say you are going to make an advance to every farmer who has crop out under the snow. You would have to investigate the situation to see whether the land would be drained and make sure it was protected against stock, because it takes only a small bunch of cattle in a field of swath grain to destroy it totally so far as harvesting is concerned.

I realize that making loans against grain in the swath would not be an easy problem to handle. I believe it could be handled through the chartered banks. The government could guarantee the chartered banks up to a certain percentage of their losses, as they did under the farm improvement loan legislation or the veterans legislation. Then it would be up to the banks to investigate the situation. It would not mean that the banker himself would have to go and look at the field. He could find out through other farmers just what the situation was, and he would have a pretty good idea in the first place of what kind of land the farmer had who had his crop under the snow. I am satisfied that if care was taken the losses would be very small, provided the advance was not a large percentage of the estimated value of the crop. You would have to allow for shrinkage and for deterioration. If that were done I do not think the banks would face the danger of any large loss, provided they were guaranteed up to 5 or 10 per cent of the aggregate loss, as was done under the farm improvement loan legislation. I do not think there would be much danger of their sustaining losses. I am satisfied if that were the situation they would be very careful to see that loans were made only where there was a reasonable expectation of their being able to get payment in the spring.

To these farmers this is a very difficult situation. They have had all the expenses of the summer. Many of them owe store bills; many of them owe for gasoline. They have to finance the expenses of the winter; and then, more important still, they have to finance seeding operations. At least 80 per cent of the grain will be useless for seeding. I believe you can say that 100 per cent of the grain that is out in the swath would not be suitable for seed in the spring. If it were seeded in the spring there would be very poor germination. If the farmers cannot get help elsewhere many of them will try to thresh enough in the spring to use for seed. If that is done there will be the danger of a very poor crop next year. Steps will have to be taken to see that suitable seed is made available. It depends upon the spring whether they can harvest that grain before seeding. If we have a very early spring it may be possible for harvest operations to be well under way before seeding starts; but if we have one of those late, wet springs where harvesting operations cannot start until after seeding, then we are going to have a situation where there will be a very heavy weed growth in the swath, and in many cases that will mean no harvesting of the swath at all. Even if it is harvested it will be in a very mouldy condition.

Some mention was made that assistance should be given under the Prairie Farm Assistance Act. I understand that assistance has been given on that basis. This assistance has been given where crops remained in the swath all winter, but then due to a certain situation developing the farmer was not able to harvest that crop and it was a total loss. I understand that payment has been made to these farmers under the Prairie Farm Assistance Act, but that no action is taken until all possible chance of being able to harvest that crop is gone. Once the officials recognize that the crop is lost, assistance is given. I had one or two cases where action was taken, and I understand that assistance was given. As a matter of fact I had a peculiar condition referred to me. There were two townships where a large percentage of the grain had been left out all winter. That grain was still in the swath at the end of June. Then a hail storm came along and hailed out last year's crop and also this year's crop. The farmer had two crops hailed out by the one hail storm. Application was made for assistance under the Prairie Farm Assistance Act and assistance was granted to those farmers, but I think for only one crop, not two.

Something has been said about the international wheat agreement. It will be remembered that in 1948, when the international wheat agreement was before the house, we in this group urged the government to advocate that in setting the floor and the ceiling for the four years in advance they should tie that floor and ceiling to the general price level, so that if the price level went up the ceiling and the floor would go up, and if the price level went down the floor and the ceiling would go down. It seems to me that such a proposition is fair to both the producer and the consumer. It would mean that in shipping grain abroad, if the price level went

up we would get a higher price for our wheat but pay more for our imports. On the other hand, if the price level went down we would get less for our wheat but we would pay less for our imports, so in that case you would be establishing a balance between the value of our exported wheat, and imports taken in exchange, whether the price level went up or down.

I never could understand why the government considered it necessary to tie the domestic price of wheat to the international wheat agreement. I should hope that the domestic price of wheat could be tied to the price of class II wheat. If the price under the international wheat agreement today represented a fair price with regard to the general price level then I would not suggest that the domestic price should not be in line with the international wheat agreement; but the cost of living has gone up 34 points since we set this price under the international wheat agreement. Therefore the price of wheat under the agreement has been tied down too low. That being the situation, I think we could very well have set the domestic price in line with the price of class II wheat.

The international wheat agreement expires next year, so I hope when our representatives go to sign the next agreement they may take a very strong stand on this question of tying future prices to the general price level. In other words I hope our representatives will advocate that an escalator clause be inserted so the price will go up and down with the general price level.

In closing I wish to make clear that I am a very strong, 100 per cent supporter of the wheat board. In spite of the disagreement that has taken place regarding the British wheat agreement, the international wheat agreement, and the domestic price, I am satisfied that at least 99 per cent of the farmers of western Canada will still support the idea of the wheat board. Had we not had the wheat board, what would have been the situation last year when we had the tremendous unmarketable surplus of low-grade wheat? No doubt the price would have gone right down to the bottom. Somebody would have made a killing, but it would not have been the farmer. As it is now, it is being handled in an orderly way, and the majority of farmers are well satisfied with the final payment on the 1950 crop, within the range of the present agreement. As I say, they still feel that the domestic price should have been tied to the price of class II wheat.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, in rising to speak on this amendment perhaps I should first read it:

That the following words be added to the address:

"This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain."

As yet few arguments have been advanced by members supporting the government regarding this matter which is of transcendent importance to many thousands of western farmers. One made passing reference to the effect that this amendment represented a condition of mind, and that it has no connection with the situation prevailing on the prairies. I think it might be well to refer to the Canadian Press dispatch quoted in the Winnipeg *Free Press* of December 1, wherein the situation is set forth, although, sir, having regard to the number of occasions recently that Canadian Press dispatches have been disavowed by ministers of the crown, one does feel some diffidence in quoting them. However, this one has not yet been denied and so I presume it will be in order to quote it. After stating what the Minister of Trade and Commerce (Mr. Howe) had said in Calgary—and it is a matter of no insignificance to point out that a by-election is taking place in Calgary, which may have had some connection with the visit of the minister to that city—the following appears:

Alberta farmers have some 230 million bushels of grain lying under the snow.

That is a very serious situation.

In Saskatchewan about 90 million bushels of wheat and 14 per cent of the coarse grain crop are unharvested. Manitoba has about $8 million worth of grain under snow.

Then it says:

A recent survey indicated as much as 75 per cent of the crop threshed or unthreshed remained in the farmers hands.

Then it gave the reasons the Minister of Trade and Commerce was in the west, that is so far as Winnipeg is concerned. It said:

Mr. Howe is making a swing through the west to size up the situation. He discussed the question of interim financial aid with the Canadian wheat board and the board of grain commissioners in Winnipeg earlier in the week.

Hon. members will recall that the other day when I asked the Minister of Trade and Commerce what could be done in this regard he indicated that he intended to spend some days in the western provinces with the very proper end in view of endeavouring to arrive at a conclusion as to what could be done in order to meet a dire and serious situation. He has been out there now for several days.

Today we had a curious thing happen when the Prime Minister (Mr. St. Laurent) answered as he did upon being asked a question that affects so many farmers on the western plains. So there may be no mistake about what took place, the record shows that the hon. member for Assiniboia (Mr. Argue) said—and I read only the pertinent parts:

In view of the radio news reports concerning an announcement made by the Minister of Trade and Commerce in the west over the weekend, can the Prime Minister say whether legislation will be introduced at this session to provide payments on farm stored grain and financial assistance to farmers with grain out under the snow?

That was the question the farmers of the western provinces have been asking, and to which they ask that consideration be given. The Prime Minister answered—and *Hansard* cannot record the inflection of the voice:

No, Mr. Speaker, I am not in a position to do that. I have already told the hon. member that we were having the matter investigated, and that just as soon as we had come to a decision I would hasten to apprise the house of it. It will not be expedited by repeating the question. I will not forget his anxiety to have the information, and will bring it down just as soon as we can reach a conclusion about it.

I presume the "we" to whom the Prime Minister referred was the cabinet of this country. Certainly the Prime Minister did not know what the Minister of Trade and Commerce apparently knew when he announced the policy, announced the decision, and announced what parliament was going to do. He did it on Friday last, and this is what he said:

Right Hon. C. D. Howe, trade minister, said Friday that financial aid for distressed prairie grain growers is in prospect for early in the new year.

The minister, in charge of grain marketing, said at the annual meeting of the Alberta wheat pool he is prepared to recommend legislation for interim credit for farmers with unthreshed grain and those who, for one reason or another, have been unable to deliver their grain to country elevators.

It is strange that on a matter such as this a recommendation to be made by the minister in charge should not be known to the Prime Minister three days later. Then the article goes on:

Mr. Howe said the legislation would be introduced at the current session of parliament in the expectation the plan would be in operation by the early part of January.

Parliament, according to the minister, is going to have this legislation at the present session. It will be introduced. The expenditures of money will be made early in the new year. Yet today we have the Prime Minister (Mr. St. Laurent) announcing that no decision has been arrived at, that the matter is being investigated, and that just as soon as they come to a decision parliament will be informed of it. Sir, this is but another example of why so often the cabinet of this country is described as C. D. Howe and Company. He makes the announcements, he says what parliament is going to do and the Prime Minister is not aware of that fact. I wonder what the decision will be when the Minister of Trade and Commerce (Mr. Howe) arrives back in Ottawa. I remember so well reading in *Hansard* of March 20 last the description by the Minister of Agriculture (Mr. Gardiner) of the happy relations between the Prime Minister, the Minister of Trade and Commerce and himself. What the Minister of Agriculture said on that occasion would lead me to believe that if the Prime Minister has the final say we are not going to get anything in western Canada, because what the Minister of Agriculture said on March 20 last, after describing himself and the Minister of Trade and Commerce is to be found at page 1448 of *Hansard*:

And, Mr. Chairman, there would be a number of reasons as to why we would not.

That is why they would not become members of the C.C.F. or Conservative parties.

We are both quite satisfied to be where we are. One of the reasons why we are satisfied to be where we are is that we both know that we can afford to make statements knowing that we might be incorrect because we have a leader who does not make many mistakes; and we are quite satisfied that when we present arguments upon which we do not fully agree, if we present them clearly enough and set forth all the facts, the judicial mind of the leader of the Liberal party and the leader of the government will so sift out the facts and so express the conclusions that, when he has expressed them, we can both agree with the decision that he has arrived at.

Mr. Gardiner: Don't you wish you had a leader like that?

Mr. Diefenbaker: I was pointing out that the Prime Minister has already given the answer, and that answer is that no decision has been made. On the other hand, the Minister of Trade and Commerce has stated in Calgary that a decision has been made.

Mr. Gardiner: No, no; he said he was going to recommend.

Mr. McCann: He said he was prepared to recommend.

Mr. Diefenbaker: If my hon. friends would listen, the Minister of Trade and Commerce said that legislation would be introduced at the current session of parliament—

Mr. McCann: Read ahead of that.

Mr. Diefenbaker:—in the expectation that the plan would be in operation—

Mr. McIlraith: Read the paragraph before that.

Mr. McCann: Read the paragraph before that. It is right there; you have the paper there.

Mr. Diefenbaker: Mr. Speaker, none of them know about it over there. Apparently this was a surprise to them, but this is not the first time the Minister of Trade and Commerce has surprised them with decisions he has made irrespective of the cabinet. It says that legislation will be introduced at the current session.

Mr. McIlraith: Read the paragraph before that.

Mr. Diefenbaker: I will give my hon. friend the opportunity. I have read it twice now, and apparently he does not understand it yet.

Some hon. Members: No, no.

Mr. Diefenbaker: Is it not passing strange, Mr. Speaker, that they all start to chatter at once? I point out again that the Minister of Trade and Commerce said the legislation would be introduced at the present session and that for the next few weeks final payments totalling $130 million—

Mr. McIlraith: Would my hon. friend permit a question?

Mr. Diefenbaker: —from the wheat board's 1950-51 pool would tide farmers over.

Mr. McIlraith: Would my hon. friend permit a question?

Mr. Diefenbaker: Yes.

Mr. McIlraith: Would the hon. member mind telling the house which paragraph of the Canadian Press dispatch, as found in the Winnipeg *Free Press*, he is reading?

Mr. Diefenbaker: I read every paragraph and if my hon. friend cannot count that is not my responsibility.

Mr. Sinclair: That is big stuff with a jury of farmers, but it is not very good here.

Mr. Diefenbaker: What is the observation?

Mr. Sinclair: I say that is big stuff with a jury of farmers, but it is not very good here.

Mr. Diefenbaker: That is an observation that will remain unanswered. Coming from my hon. friend the answer is clear.

Mr. McLure: General Motors will reply to him.

Mr. McIlraith: It is paragraph 3.

Mr. Graydon: Get yourself a used car, Jimmy.

Mr. Diefenbaker: I was pointing out the fact that while the western farmer is asking for action one minister of the cabinet says he is going to get action and the Prime Minister, who ought to know, says that the matter is still under consideration.

Mr. McCann: What about it?

Mr. Diefenbaker: I am glad this amendment has been introduced so that western members may be able to face a jury of western farmers on their votes on the amendment. The hon. member speaks with disparagement of a jury of farmers. If the farmers of western Canada get an opportunity as a jury they will speak as they did in Winnipeg, as they did in Brandon and other constituencies in the recent by-elections.

Mr. Sinclair: It took a little while to think that one up.

Mr. Diefenbaker: Having dealt with that phase—

Mr. Sinclair: One paragraph.

Mr. Diefenbaker: —I again ask that the government give serious consideration to this matter and at this session provide what is asked for in the amendment. I care not whether it be an advance to the extent of 75 per cent of the value or whether it be the suggestion I put before the house some time ago of $10 per acre. The farmers of western Canada today are asking for assistance and they have a right to receive it. What has happened in connection with the lack of storage facilities is and has been the responsibility of this government. Every minister of the government knew as far back as last June or July how serious the situation would be with the elevators in western Canada glutted with wheat that was unsaleable by reason of its low grade. Week after week the Minister of Trade and Commerce has been advising the people of Canada in the most optimistic manner possible that all was well. I have before me the *Western Producer* of November 29. It tells the story in so far as the wheat pool is concerned. It has this to say:

> Although harvesting operations have been virtually at a standstill during all of November, country elevator congestion has shown little improvement during the month. At the end of last week stocks in store in Saskatchewan pool country elevators totalled 39,926,000 bushels as compared with 40,363,000 bushels one week ago and 41,589,000 bushels on October 31.

In other words, the situation has improved but little.

> Five hundred and eighty-seven pool elevators were reported filled with grain last week. A week earlier there were 606 plugged elevators and at October 31, when congestion was at its peak, the number was 663.

I ask that something be done in this matter in order to raise the morale of the western farmer. But the Minister of Trade and Commerce (Mr. Howe) has said over and over again in this house that all is well. Word has gone forth and every member from Saskatchewan must have received letters from his constituents pointing out the seriousness of the situation, particularly on Canadian Pacific

lines. Mention has been made by several hon. members of the fact that the situation on Canadian Pacific lines is serious. It is as serious today as it was several weeks ago. Farmers in those areas where the quota has been increased found that elevators became filled. As a result many of them have been unable to market their wheat, and in a large majority of cases they have been able to market only ten or fifteen per cent.

This is a most serious situation that faces us. All we are asking, and all that those who come from the prairies have continued to ask, is that something be done to assure that congestion shall be dissipated as far as possible and that provision be made to transfer tough grain to the drying plants. We ask also that advances be made for grain on the farms, both for storage and as a payment in accordance with the amendment. These are the things the western farmer is demanding. These are the things that I believe are worthy of the consideration of this house.

In order to fill the two vacancies which I believe still exist on the wheat board I suggest that appointments be made of actual producers. Farmers are requesting that there be a larger producer representation on the board. Nothing would be more beneficial than for the Minister of Agriculture to insist that western farmers in production and recognized as leaders be appointed to the two vacancies on the wheat board.

Second, the amendment refers to a temporary situation created by the early snows of this year. Another thing the western farmer is asking is that wheat sold for domestic consumption be not sold at the present rate whereby the farmer loses from 40 to 50 cents per bushel, but that it be sold at a parity price.

Third, in order to assure parity the farmers are asking that the Agricultural Prices Support Act be amended to provide floor prices for cereal grains. The hon. member for Assiniboia (Mr. Argue) referred to the plebiscite in Manitoba and indicated that farmers generally were satisfied. My own impression is that farmers want a larger direct producer representation on the board, and they want parity prices for domestic sale. If these two things were granted at least two major subjects of discontent would be removed.

Having said that I cannot take any other stand than to support the amendment. It provides an opportunity to hon. members to call upon the government for action. We have waited from week to week since this session began in the hope that something would be done to alleviate the conditions that prevail on the prairies. It is only a matter of two weeks at the very most until the end of the session, yet we had a statement today by the Prime Minister (Mr. St. Laurent) that held out no hope that action will be taken at the present session. On the other hand we had the statement made in Calgary on Friday by the Minister of Trade and Commerce that action will be taken. My hope is that at this time the wishes of the Minister of Trade and Commerce will take precedence over the unhopeful statement made today by the Prime Minister and that before this session is over legislation will be introduced to provide for an advance payment to farmers, first, who have their wheat under the snow and, second, who have completed their threshing operations but are unable to market a reasonable portion of their grain because of the freight car congestions.

[Mr. Diefenbaker.]

Mr. Daniel McIvor (Fort William): Mr. Speaker, as I sat and listened to hon. members speak, I wondered how soon this debate will close. There are many important resolutions on the order paper. Wheat is important, but some of these resolutions concern matters just as important or perhaps more important than wheat. I am not a bit concerned about what the Minister of Trade and Commerce (Mr. Howe) did or did not say. He is not in the house this evening, but when he comes back he will be able to answer for himself and what he says will be a credit to the government.

Mr. J. A. Ross (Souris): Mr. Speaker, the amendment before the house reads:

> This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain.

When the Prime Minister (Mr. St. Laurent) answered the hon. member for Assiniboia (Mr. Argue) as he did this afternoon I was very disappointed. I had read the statements carried in the daily press of western Canada, particularly the Winnipeg *Free Press* and the Winnipeg *Tribune*, which statements have been quoted in this debate already, in which the Minister of Trade and Commerce (Mr. Howe), the minister responsible for the handling and marketing of wheat in this country, is reported to have stated emphatically at a meeting in Calgary that the farmers could expect aid early in 1952 and that legislation would be introduced during this session of parliament to provide for that financial assistance. When the Prime Minister was asked this afternoon if that statement was correct his answer was "No", and he went on to say that the matter was under consideration and he could make no further statement at this time.

That is a strange set of circumstances in a democracy such at this. As I say, I was very disappointed. As has been so well pointed out by previous speakers, this is a real emergency for many thousands of farmers on the prairies. If you could travel out among these people you would find that many are having to depend upon local people who are ready to extend credit in order that they may provide for their families this winter. This, in turn, has placed these people in an extremely unsatisfactory financial position. These grain producers find themselves in a very difficult set of circumstances. I am amazed that people are not so much concerned about the plight of these farmers at this time, because it is serious. I believe this resolution is well worded.

For some years past I have travelled into the United States of America studying the operation and administration of their agricultural set-up, and the manner in which that government guaranteed to wheat producers what is termed 90 per cent of parity. Today a farmer can obtain on properly stored grain a loan of up to 90 per cent of parity which, for this year's crop, is on the basis of $2.18 per bushel. Compared to what we receive for grain, that is a good price. As I understand the legislation, coupled with that the farmers are allowed a storage fee until next April. After receiving payment the farmer can decide that the government can have the wheat, or he can repay the loan and carry on. While the United States operates under the international wheat agreement just as we do, their farmers are subsidized for the difference between the world price and the price under the international wheat agreement. It costs the treasury of the United States a considerable sum to pay that difference.

The previous speaker has pointed out that, notwithstanding the many millions of dollars the western farmers have lost in the past four or five years under agreements concluded by this government, they are today subsidizing the consumers of Canada by over 50 cents a bushel. Like the hon. member for Acadia (Mr. Quelch) I am one of those who believe that the consumers of Canada should pay the prevailing price for class II wheat rather than the price set under this international wheat agreement. These wheat producers have had a very unfair burden saddled upon them by the government of the day. I want to protest as strongly as I can. I have raised this issue in the house at every opportunity, but instead of the price getting closer to what it should be the gap is widening as time passes. These people should not be called upon to subsidize the consumer.

I should like to say a word on a point which was raised by the hon. member for Melfort (Mr. Wright). It is connected with grain drying equipment. I happen to live close to the North Dakota border and some of the farmers along that border have this grain drying equipment. As was pointed out, this machine costs between $12,000 and $14,000. It was doing a satisfactory job in taking the moisture out of that grain. Like the hon. member I, too, had correspondence from co-operatives and individuals requesting me to interview the Department of National Revenue about obtaining this equipment from the United States. Apparently Minneapolis is the chief centre turning out this machine, and I understand it is not available in Canada. I carried on some negotiations with the deputy minister and other members of the department. Finally the minister made a statement in this house pointing out that he was prepared to recommend to cabinet that these machines be brought in on a lease basis for about one-sixtieth of the duty per month. The duty on these machines amounts to 22½ per cent plus a sales tax of 10 per cent, and all that can be set aside if an individual imports this equipment. When the minister made his statement I asked him, and it is on *Hansard*, whether the same consideration would be extended to a co-operative or a corporation, and he said no. I believe that is quite improper. Some consideration should be given to the cost of the machine and the amount of grain that can be cleaned, because it would have to be a co-operative effort.

Personally I have some fault to find with the distribution of feed wheat and the low grade wheat from last year's crop. I believe the asking price for that grade of grain has been out of all proportion to the price obtained for milling qualities of wheat. Because of this asking price there was a large carry-over of this grade of wheat as of July 31 of this year. I think the board, on behalf of the government, should have made a greater effort to get rid of that low grade wheat for feed purposes, thus making more storage space available for the milling grades of wheat today. For two years now this has been an extremely difficult problem in the handling and storing of grain. For some reason, in our province and the provinces to the west there has been much greater difficulty in getting a proper allocation of box cars on the Canadian Pacific lines than on the Canadian National lines. I do not know why that situation has existed, but it has been difficult. While I was not prepared to speak on this subject at this time, I want to say that it is a matter of deep concern. I cannot impress too strongly upon the government the difficulty for many thousands of farmers in the prairie provinces. A loan could easily be made to these farmers to

cover operating expenses and help them provide for their families during the coming winter. I cannot see why this amendment is unsound. It mentions 75 per cent of the value of the grain in storage, and I do not believe there is any great gamble in that. True enough it would be a considerable undertaking from an administrative point of view, but I would support the amendment.

Let me repeat that when you have prosperous agriculture in this country, then everyone else does well. It is true that today many people are prosperous, but these farmers are suffering great hardships. I would hope that the government would decide to accept this amendment. Again I say how disappointed I was at the difference in the attitude of the Prime Minister (Mr. St. Laurent) and that of the responsible minister as reported in the press over the week end.

Mr. Solon E. Low (Peace River): I have waited to give the Prime Minister (Mr. St. Laurent) and the Minister of Agriculture (Mr. Gardiner) an opportunity to say something about this resolution. I thought it was a subject of such great importance that at least the Minister of Agriculture would have made an announcement of some sort. Of course the Prime Minister came in and the Minister of Agriculture stayed put.

I imagine it is occurring to the Prime Minister that he should brief his boys before they go off on a trip. I know that if I had had experiences similar to those of the Prime Minister during the past two or three weeks I would get them together and say: Boys, where are you going? We are going up to Calgary to see what is going on up there. Why? We want to see what the people are doing and find out just what the crop situation is. It might be that incidentally we will have a word to say about the by-election. All right, but maybe you had better let me know what you are going to say when you go out there, because I want to be able to say the same thing in parliament; because if this sort of thing goes on there will not be any such thing as cabinet solidarity. I would suggest, Mr. Speaker that it might be a right good thing to have this amendment debated thoroughly and perhaps to have it held over until Wednesday of this week, possibly until the Minister of Trade and Commerce (Mr. Howe) gets back, so the Prime Minister can call his men together and decide just exactly what is what. Then maybe we can get an intelligent vote on the matter. Or in the alternative, perhaps the Prime Minister or one of his ministers can make an announcement in this house, where announcements of the kind should be made and where we can give them the proper applause. You see, Mr. Speaker, the Minister of Trade and Commerce is away out west, and he has made an announcement of great importance to the farmers of western Canada; but we fellows here cannot pat him on the back. I do not think that the situation is fair and just to the members from western Canada; not at all.

As I say, I was quite disappointed that we did not hear from the front benches tonight something in connection with such important legislation. I look upon this matter as being of tremendous importance. What has happened is this, Mr. Speaker. Our big-hearted Minister of Trade and Commerce went out west; and whatever he went out for, he did happen to see what the farmers are suffering today. They doubtless took him out into some of these fields around Calgary.

An hon. Member: Calgary West.

Mr. Low: And doubtless they showed him, field after field, thousands of acres of wonderful crop in the swath and down on the ground. No doubt they showed him crops that were matted, twisted and pressed into the soil by a succession of snow, rain, frost and what not, that they probably will not be able to harvest until spring, if they get it harvested then. They probably took the Minister of Trade and Commerce out to some of the elevators and showed him exactly what is going on there, and what a terrific problem these elevators have to handle the wheat successfully, to give the farmers storage space for their tremendous crops, and to process the grain without grain dryers. They see it rotting, matting together, musting and I suppose much of it will be rendered unfit for milling purposes.

Then they probably took the Minister of Trade and Commerce out to talk to some of the farmers individually. When I say "they" I am speaking now of the boys in Calgary West. They wanted him to see the facts, and they talked to some of these farmers out there individually and the farmers told this story: Look here, Mr. Minister, we have got to get a fence fixed up here, and a good one. You fellows are just about to let the calves out. There is quite a gap here, the biggest gap that you have left. The gap is created by the fact that our farmers throughout this area just have not anything in their pockets to jingle, and the reason is that they have not been able to market any of their crops this year. Not having been able to market any of their crops they cannot look forward to giving you fellows any help out in Calgary

West or anywhere else for that matter. Furthermore, if we are going to keep those doggone Tories out of here, you have to do something and do it fast.

So, Mr. Speaker, as I said, the Minister of Trade and Commerce is there. He is a big-hearted fellow and his sympathies would be right there with the farmers. It is natural that, when they got him back into the meeting place that night, he should stand up on the platform and say to that audience: We have to do something for these farmers, and I am going to suggest right now that this government, at the session that is now going on down in Ottawa, put through a bill to provide for farm storage advances and get it out before the first of the year or before Christmas, because you have to get some Christmas presents.

In all seriousness, Mr. Speaker, I am quite sure that the Minister of Trade and Commerce on this trip saw a great many things out there that he did not previously even imagine. I am quite certain in my own mind that in whatever he said out there he was giving expression to what he thought ought to be done. That is the important thing. He stated what he thought ought to be done. It may have been interpreted by the press as an expression of government policy. I am not saying anything as to that. But the fact remains that out of his firsthand knowledge —as a result of seeing conditions, not just hearing about them—he made up his mind that something ought to be done, he made that statement, and the press carried it.

I think the Minister of Trade and Commerce had a great deal of courage, even if he did not get in touch with the boys back home and the boss, and I commend him for it. But there is this that must be said, Mr. Speaker. The Minister of Trade and Commerce is right, and the boys back here are not up in the harness by any means. Our people out west are facing a disastrous situation. It is not that we love to come and just plead for handouts; not at all. But how in the world can we, the farmers of western Canada, be expected to do the job that it is expected we will do, in producing all the food that will be required by our Canadian people and fill the demands of the people of other nations, unless facilities are set up to save what we produce?

Just imagine the situation. Right there in the province of Alberta we had prospects of a 170 million bushel wheat crop this fall. It looked to be the most beautiful prospect we have had in twenty-five or thirty years. Then disaster overtook us; and that was not all. It was not just disaster caused by the elements. We found that another disaster or two befell us. When we did get the crop down, the elevator space was soon plugged and the farmers could not get any more in. Then they had to thresh their crops in the fields and put them up in conical piles, or into straw stacks, or surround them with snow fences or almost anything to keep them together, pleading for cars all the time. There again was another disaster. Something happened so that the cars did not get out there with which to ship this grain. In many areas —and I will take my own area, the Peace river country, as an example—there were millions of bushels of excellent milling wheat. What this country needed was milling wheat, and what the other countries needed was milling wheat. Cargo vessels were coming into the harbour at Vancouver and in the eastern part of this continent ready for milling wheat, and they could not get it. They had to sail away without it because the wheat was not there in port. The question is, why was it not there? Cars were being used for something else. I do not know what it was.

The people in the Peace river country were not able to get their wheat out—that is, that milling wheat they had taken to the elevators —and they were not able to get much in because the storage space up in that country is not great. Somehow or other few people have got into their heads the fact that this Peace river country has now grown to be a great inland empire, one of the great food-producing areas of the world. They also forget that it is four or five hundred miles removed from any storage centres, and that there is today a great long back haul of five hundred miles in order to get the grain on to the main line so it can be shipped to the coast. We were completely forgotten this year and the wheat lay there. We complained about it; we pleaded for cars and for storage space; but there was nothing doing. So today the farmers are not able to get anything for their crops, to provide for their families, to pay their debts and get materials and machinery repaired and ready for another crop season. This does not give them very much hope or optimism.

I suggest that the government's responsibility is twofold. In the first place, I think the government should have been looking ahead to years like this, and should have provided strategically placed storage facilities. They should have been assisting farmers to provide storage facilities on their own farms. In the Peace river country I think we have a logical claim for a $1 million or $2 million government elevator for storage and for processing purposes, to see that our grain up in that country is not wasted; that when we

do produce these big crops we can get them into the elevators so that they may be saved and not wasted. Any grain that comes into elevators with a moisture content of 17, 18 or 20 per cent is in danger. Everybody knows that. I understand that this year a good deal of it is running up to 25 or 28 per cent moisture content. Well, it seems tragic, in the light of the world need for food products, to let that grain remain in that condition and take a chance on it spoiling so nobody can use it, especially in a country like this where we have these unusual seasons and this year so little milling wheat. Therefore it seems to me the government's responsibility is to see to it that complete storage is arranged for, and that the farmers are assisted to get storage facilities on their own farms.

It seems to me the second responsibility is this. Whenever disasters like this overtake the farmers, the government should get in there as quickly as possible and see to it that some advance is made on properly stored grain, as is called for in this resolution, so the farmers can pay their obligations, take care of their families and look forward to a crop year next year free perhaps from encumbrances, free from worry. The hon. member for Acadia (Mr. Quelch) has just reminded me of something else that is tremendously important in this whole business. The man who is usually forgotten in all of these tragic years is the unsecured creditor, the local merchant. He is the fellow who takes it in the neck, because he has been financing the farmers in the communities pretty well through the whole year, expecting that when the crop was sold he would be able to get some return. Well, where are the small merchants this year? They are holding the bag. A good many of them are going out of business, Mr. Speaker. I am told there are more business failures in Canada just now than there were during the hungry thirties. Why? Simply because of the tragic situation that has developed in western Canada. These farmers simply cannot get money for their crops; therefore they cannot pay their obligations. Prices are high. There are restrictions on supplies, restrictions on credit purchases. All that is hitting the storekeepers and hitting them hard. They are the backbone of our communities, and we cannot overlook them. I plead with the government to take this appeal that is being made most seriously, and get in and formulate a policy and announce it so that our people in western Canada will not be kept so confused.

I can imagine what is going to appear in the press tomorrow morning. They will have the statement of the Minister of Trade and Commerce (Mr. Howe) in one column and what the Prime Minister (Mr. St. Laurent) said today in another column, and the farmers of western Canada will feel that they are meeting themselves coming back. Believe me, Mr. Speaker, there will be a great many of the juries of farmers referred to by the hon. member for Coast-Capilano (Mr. Sinclair), a good many juries around the hot stove in these little business places that I have been talking about who will weigh his statement well and bear in mind that there was some sort of little aspersion cast by what he said. I will tell you right now that the hon. member for Coast-Capilano has never been able to get together a jury that will do a better job than a jury of farmers. If any of the people out in the west country that I know about are called upon to be tried before their peers it is usually the farmers that they look to for justice, and they get it.

Mr. Sinnott: They did a good job in the Manitoba grain referendum.

Mr. Low: I see that it is close to ten o'clock, Mr. Speaker. Before I launch into the other subject about which I want to say something, I would ask you to call it ten o'clock, and I shall move the adjournment of the debate.

On motion of Mr. Low the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up as the first item the resolution in the name of the Minister of Transport to provide a deep waterway between Montreal and Lake Erie and to create a corporation to be called "the St. Lawrence Seaway Authority"; then third reading of Bill No. 24, to amend the Public Printing and Stationery Act; Bill No. 30, to amend the Supreme Court Act and Bill No. 31, to amend the Exchequer Court Act.

Then we will take up the resolution in the name of the Secretary of State to amend the Civil Service Act, and the other resolution in the name of the same minister to amend the Dominion Elections Act.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Tuesday, December 4, 1951

The house met at 2.30 p.m.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—SITE OF DAM—MEETINGS OF COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister): Yesterday the hon. member for Lake Centre (Mr. Diefenbaker) raised certain questions regarding the commission investigating the proposed South Saskatchewan project, and I told him I wished to get further information before attempting a complete reply. The government has given no instructions to the commission other than those contained in the order in council in which the reference has to do with the two following questions: whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan river project—central Saskatchewan development—would be commensurate with the cost thereof, and whether the said project represents the most profitable and desirable use which can be made of the physical resources involved.

All the information about the project that had been tabled in the house was placed at the disposal of the commission, and of course they also have access to the various departments where they can see any other material about the project that may have been gathered at any time in those departments. I am informed that there is no ground for the supposition that there is any interruption of their work, that as a matter of fact they are having another meeting in Ottawa next week, and that the matter is actively under consideration by them for the purpose of making their report on the two points set out in the order in council by which the commission was established.

Mr. Diefenbaker: Thanking the Prime Minister, might I ask him whether the actual location of the dam on the river has been finally determined?

Mr. St. Laurent: As to whether or not these documents determine one location and one location only, I think the hon. member will have to do what I would have to do, and that is consult the documents. They speak for themselves. It was my understanding that there was a precise location indicated in those reports, but I would not want to assert that they could not be construed otherwise. I am not an engineer, but two of the members of the commission are engineers, and I would not want to attempt to put any final construction upon the reports. I took them to mean that a precise location was indicated therein.

[*Later:*]

Mr. M. J. Coldwell (Rosetown-Biggar): Supplementary to the question asked by the hon. member for Lake Centre, do I understand that no instruction or authority has been given the commission to recommend a site for the South Saskatchewan dam, other than the site recommended in the various reports that the government has received?

Mr. St. Laurent: No other instructions have been given but those expressed in the order in council. I have been unofficially informed that the question has been raised and is under discussion between the commissioners, as to whether or not the second part of the reference gives them authority to consider whether that site would be the best use of the physical advantages. I have not any official information about that, but it may be an interpretation that would not contradict the terms of reference. I can only say that when it was drawn in those terms that is not what was intended. Of course, it is not what was intended which should bind the commissioners, but the actual language which was used.

ST. LAWRENCE POWER DEVELOPMENT

AGREEMENT BETWEEN FEDERAL AND ONTARIO GOVERNMENTS

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to approve an agreement between the government of Canada and the government of the province of Ontario, respecting power development in the international rapids section of the St. Lawrence river; and to provide further for the transfer to the government of Ontario of the administration of certain lands or property pursuant to the agreement.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

Inquiries of the Ministry

LABOUR CONDITIONS

INDUSTRIAL DISPUTE AT WINDSOR

On the orders of the day:

Mr. D. F. Brown (Essex West): May I direct a question to the Minister of Labour? I regret that I have not had the opportunity of giving him very much notice of it. Has the minister been advised of an industrial dispute at the Ford Motor Company in Windsor, Ontario, and has he any statement to make at this time?

Hon. Milton F. Gregg (Minister of Labour): As to the first question, Mr. Speaker, I have not been advised officially on the matter, but I am acquainted with certain aspects of it through my colleague the Minister of National Health and Welfare, and through our own offices in Windsor.

As to the second part of the question, as the hon. member knows this dispute is a matter which is entirely within the authority of labour legislation of the province of Ontario.

OLD AGE SECURITY

APPLICATION OF RESIDENCE RULE TO NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the Minister of National Health and Welfare. In view of the uncertainty as to the status of Newfoundlanders who make application for the old age pension, to which reference was made in the debate on the old age security measure in the other place last evening, and in view of the fact that reports of the debate have been sent to Newfoundland, will the minister be good enough to say whether or not residence in Newfoundland is equivalent to residence in any other part of Canada?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member was kind enough to send me notice of his question. As he says, this matter was raised in the other place, and in view of its importance perhaps I should deal with it here. The position briefly is that there is no difference between the status of applicants for old age security benefits in Newfoundland and applicants in other parts of Canada. The Old Age Security Act, together with the Old Age Assistance Act which was passed in June of this year, requires that in order to be eligible for benefit an applicant must be able to show that he has lived continuously for the last 20 years in Canada.

Section 9 of the Interpretation Act states that every act of the parliament of Canada shall, unless a contrary intention appears, apply to the whole of Canada. Where the word "Canada" is used in the present bill it means "Canada as presently constituted". Canada as presently constituted includes the province of Newfoundland. Furthermore, by the terms of union of Newfoundland with Canada it is provided that, subject to the terms of union, the province of Newfoundland must be treated, in so far as welfare and public services are concerned, on the same basis and subject to the same terms and conditions as in the case of the other provinces of Canada. The terms of union were approved by this parliament, by the parliament of the United Kingdom and by the government in Newfoundland, and are part of the constitution of Canada. "Residence in Canada", under the terms of this bill, and under the terms of other statutes of Canada, means "residence in the territory now known as Canada".

Newfoundland is part of Canada. It follows therefore that anyone who has lived for 20 years in any part of what is now Canada can qualify in accordance with the provisions respecting residence set forth in the Old Age Security Act and the Old Age Assistance Act. The same applies to the residence provisions in the Blind Persons Act, although there, of course, the residence period is somewhat shorter.

The hon. member therefore can be assured that, for applicants in Newfoundland, their residence in that province—either before or after April 1, 1949, the date of union—will be regarded under these new enactments as being residence in Canada.

I may add that for greater certainty it is proposed to pass a regulation under the provisions of section 6 (d) of the Old Age Security Act covering this specific point. Section 6 (d) of the Old Age Security Act gives the governor in council power to make regulations defining residence in Canada and defining intervals of absence from Canada preceding an application that shall be deemed not to have interrupted residence in Canada.

Justice has given the opinion that the governor in council has, under this provision, authority to make a regulation providing that residence in Newfoundland prior to the date of union be taken to be residence in Canada. We propose therefore to include such a provision in the regulations to be passed under the Old Age Security Act as well as in the regulations to be passed under the Old Age Assistance Act and the Blind Persons Act.

Mr. Browne (St. John's West): I thank the minister for his reply, and while I agree with the first part of it wholeheartedly I feel that the regulation does not seem to be necessary.

METEOROLOGICAL SERVICES

INQUIRY AS TO INSTALLATION OF WEATHER STATION IN BROCKVILLE AREA

On the orders of the day:

Mr. G. T. Fulford (Leeds): Will the Minister of Transport state whether Brockville or some other municipality in the area will be made a weather forecasting station for the upper St. Lawrence valley?

Hon. Lionel Chevrier (Minister of Transport): I know that there is no weather reporting station in that area at the moment.

Mr. Cruickshank: It rains there all the time.

Mr. Chevrier: No; I should think the weather is excellent there. I shall ask my officers to inquire as to the suitability of a weather forecasting station in that area.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO RECOMMENDATION FOR INCREASE IN BASIC PENSION

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): I should like now to deal with a question asked by the hon. member for Lake Centre (Mr. Diefenbaker) on November 30. He inquired whether or not any recommendation had been made as the result of the committee meeting with the general chairman and the vice-presidents of the Canadian National Railways to increase the basic pension of $25 a month for railway employees. I must say I have received no recommendation thus far from the committee or the officers of the Canadian National Railways. I am, therefore, not in a position to answer the question. When I have received such a recommendation, I shall be glad to impart its contents to the house.

PUBLIC WORKS

ALEXANDER AVENUE WHARF, WINNIPEG, MAN.

On the orders of the day:

Hon. Alphonse Fournier (Minister of Public Works): Yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) asked me this question:

Has the government received representations from the Winnipeg and St. Boniface harbour commissioners asking that the Alexander Avenue wharf, on the Red river at Winnipeg, be enlarged to meet the increased demand for dockage facilities? Will consideration be given to extending this wharf at an early date?

The answer is as follows: By letter of September 13, 1951, the Winnipeg and St. Boniface harbour commissioners made representations for enlarged facilities at the Alexander Avenue wharf, Winnipeg. The enlargement of this wharf is being studied by the department, but full information must be available whether the arrival of freight boats from lake Winnipeg cannot be scattered throughout the week instead of the peak loads at week ends, as at present, resulting in wharf congestion.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

On the order:

Government notice of motion—The Minister of Transport—Resolved, that it is expedient, for the purpose of providing a deep waterway between Montreal and lake Erie, to create a corporation to be called "The St. Lawrence Seaway Authority" with power, *inter alia*, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the authority.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, before the resolution is put to the house, I have a request to make. It was understood that the leader of the opposition (Mr. Drew) would speak for the opposition on this resolution. I understand that he is on his way back from the western provinces and that he has been delayed for a few hours. I would ask the house if it would agree that we delay the putting of this resolution until he arrives, which I understand will be about five o'clock. I am told that he has a prepared statement to make in answer to the statement of the Minister of Transport (Mr. Chevrier). I think it would only be courtesy that we agree to have this matter postponed for some time.

Some hon. Members: Agreed.

PUBLIC PRINTING AND STATIONERY ACT

AMENDMENT PROVIDING FOR ADVANCES TO KING'S PRINTER FOR PURCHASE OF MATERIALS, ETC.

Hon. F. G. Bradley (Secretary of State) moved the third reading of Bill No. 24, to amend the Public Printing and Stationery Act.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, at the time of second reading it was understood that further information would be made available. That information has been made available. Particularly in view of the fact that the whole question of revolving credits is going to be dealt with in the new Financial Administration Act, I think there is nothing further that I wish to say in respect of this bill at the present time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there are one or two questions that have occurred to me since we had the earlier debate on this matter. I recognize that we are now at the third reading stage. We have passed the committee stage where it is possible to indulge in the question and answer method of procedure, but I should like to put a question or two to the Secretary of State. I hope that he will be given the opportunity to reply.

From the document that was tabled the other day I note that we have been given a break-down of the amounts owed by the various departments. As at November 22, 1951, they totalled $3,788,752. That was the amount due to the printing bureau by the various departments of the government. In response to our request the break-down of that figure was given not only by departments but by various months. It is to be noted that the greater part of those arrears are for recent months such as September and October, but there are some rather large items that have been standing for a good many months. I do not think that any of us over here on this side, being reasonable people, question the delay in paying accounts that are only a month or two old. But it would be interesting to have a comment as to why some departments are paid up except for the last month or two whereas some other departments, such as the Department of National Defence, the Department of National Health and Welfare, the Department of Defence Production, the Department of Citizenship and Immigration and perhaps others have accounts going right back to January of this year. In that connection, can the Secretary of State tell us whether any of these arrears are for supplies of printing which the departments refused to accept? Was any of this printing sent back because it was not satisfactory in any way? Would that be an explanation for any of these arrears? If so, I would appreciate it if the Secretary of State would tell us to what extent that is the case. I would also be interested in knowing how much of this outstanding debt is for letterpress printing and how much is for offset printing.

As I say, Mr. Speaker, it would have been easier to handle these questions had we had this document when we were still in committee of the whole. But from this side of the house we agreed to allow that stage to go by provided we could get information of this kind on third reading. I hope that the house will grant permission to the Secretary of State to close the debate, although that is not usual on third reading, in order that he might answer these questions.

Hon. F. G. Bradley (Secretary of State): Mr. Speaker—

[Mr. Macdonnell (Greenwood).]

Mr. Speaker: Before the minister speaks, I should point out to the house that he is entitled to speak only once on third reading of the bill. In view of the fact that he made no statement on the motion for third reading I think I should allow him to speak now, but this will be the only opportunity that will be given to him to speak. I do not think that, on third reading, the house should take part in the kind of debate which has been carried on in committee of the whole.

Mr. Bradley: Mr. Speaker, I have not much to add at this stage of the bill, except to say that the questions which have been asked by the hon. member for Winnipeg North Centre are of such a detailed nature that I could not possibly be expected to have all of them available. If he had telephoned me some time before the house met, I could possibly have obtained the information for him.

Mr. Knowles: We really did not expect that this order of business would be reached until tomorrow.

Mr. Bradley: As to the arrears that are of comparatively long standing, running back into last May, I am not able to give him exact information upon each one but my recollection is that, in connection with one or two, there is some question as to whether the amount should be charged to the particular department or to the king's printer's department itself. As to the question of the amount to be charged against the ordinary type of printing and the amount against offset printing, I have not the faintest idea at the moment. But I can get the information for my hon. friend at any time, if he desires it.

Mr. Knowles: May I just say to the Secretary of State that I will place my questions on the order paper and try to get the answers in that way.

Motion agreed to and bill read the third time and passed.

SUPREME COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 30, to amend the Supreme Court Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Rank and salary of registrar.*

Mr. Diefenbaker: Now that the supreme court is the final court of appeal, some consideration should be given to enlarging the scope of the grounds for appeal to that court

in order to enable citizens who have had their fundamental freedoms or rights interfered with unjustly to have a right of appeal to what is now the foot of the throne. As the law now stands, generally speaking appeals are limited almost exclusively to cases measured by money value, except in cases of leave; and leave cannot be granted in respect of matters that are primarily concerned with such fundamental freedoms of the individual as religion, speech and the like, unless in appeal in a criminal case in which there has been a dissent, or in which there is a direct conflict between the judgment of the court appealed from and that of a court of equal jurisdiction.

The law permits the continued existence of conditions that may constitute a denial of fundamental freedom, because the person who suffers personally from the alleged departure from one or other of the fundamental freedoms has no appeal to the supreme court. Now that the supreme court is the final court I should like to suggest that something should be done to assure the right of the individual everywhere in this dominion, regardless of whether it is a matter of monetary value or not, where a great principle in the field of fundamental freedom is at stake, to have the right of appeal to that court. He has an appeal under the criminal law, as I have already mentioned. He has an appeal in matters of certiorari; but where there is a direct invasion of his rights in consequence of municipal laws he has not, even when a citizen's fundamental freedoms are denied or abridged. I suggest that consideration should be given to placing in the hands of the Supreme Court of Canada the power, by leave, to grant any Canadian who claims to have been wrongfully deprived of any one of his fundamental freedoms the right of appeal to that court. By circumscribing the right of appeal to the extent that the court itself would be required to give leave, the abuse or unnecessary use of the right of appeal would thereby be avoided.

Over the years I have advocated a bill of rights for Canadians in order to assure the preservation and maintenance of our fundamental freedoms within the confines of our constitution. To assure those freedoms I have advocated either a statute or a constitutional amendment, wherein will be set forth the personal freedoms that are ours and in order to assure that wherever they are invaded unlawfully the individual shall have a right of recourse to the courts. As it is now, he has not that right. I have suggested to other ministers of justice that, in order to determine the division of authority as between the federal and provincial jurisdictions, the Minister of Justice should submit to the Supreme Court of Canada a bill of rights such as was drafted by the Senate committee two years ago, with a view to ascertaining by appropriate questions what, if any, of the fundamental freedoms are within the jurisdiction of the federal parliament.

Canadians should and must have equal rights before the law. I believe that the time has come to extend the jurisdiction of the Supreme Court of Canada so as to enable an individual, whose fundamental freedoms have been denied or abrogated, to have an appeal, with the leave of a supreme court judge, to the Supreme Court of Canada. Secondly, with a view to assuring the preservation of democracy within our country, thereby showing the world the superiority of democracy over its very antithesis, communism, everything should be done to maintain, develop and expand the principles of freedom and liberty, and to that end a major step forward would be the submission to the Supreme Court of Canada of the question of the respective jurisdiction of the federal parliament and the provincial legislatures in respect of the fundamental freedoms.

The supreme court is composed of men whose contribution to the jurisprudence and the development of this country is worthy of the highest traditions of our judiciary. Its judges are in a position to maintain and protect the liberty of the subject, provided that there is a right of appeal to that court. A right of appeal that is circumscribed by financial or monetary considerations is not one that will protect and preserve the rights of the individual when his fundamental freedoms have been encroached upon.

At the same time I should like to make a third suggestion. It has to do with the right of the subject to sue the crown. As the law now stands, the power the Minister of Justice had to deny the right of the subject to sue the crown for negligence and contract was removed last year. However, the crown in Canada continues to enjoy a position far superior to the subject and to the citizen.

In the United Kingdom the subject is a sovereign in his own right, in that he possesses equal rights with the king in the courts, subject always to two qualifications, namely that if he is a member of the armed forces he cannot sue for wrongful orders given him, and no citizen can sue the Post Office Department for neglect or for other wrong arising out of the transmission of mail.

Apart from those two limitations, before the courts the citizen has equal rights with

the crown. And I suggest that the disabilities of the individual in his right to sue the crown which places the citizen in a position of subservience to the crown as to rights and obligations should be abolished to the same extent as in Great Britain.

The minister will recall that within the last few weeks in the city of Ottawa, during the course of an argument in a case in the exchequer court, Mr. Justice Thorson referred to the amplitude of the rights the crown possessed. If the press report was correct, he stated that a servant of the crown could take a citizen's motor car and dump it into the river, and there would be no right on the part of the person aggrieved as against the crown, under the law as it now is.

Such an anamolous condition cannot and does not exist in the United Kingdom and should not in Canada. In the United Kingdom the subject enjoys equality with the crown in the courts of law, subject to the exceptions I mentioned before.

These are three general submissions which I make to the Minister of Justice who, I am pleased to say, has taken interest in this subject, that merits the approval of the bar of this country. I ask him to give consideration to these submissions so as to preserve, maintain and extend the field of liberty of the individual; and provide access to the courts for every Canadian; and assure that the crown shall no longer enjoy any unequal privileges over the individual, in the courts of law.

Mr. Garson: I wonder if before my hon. friend takes his seat he would cite some concrete examples of the lack of access to the courts or the lack of fundamental freedoms enjoyed by any Canadians about which he has spoken, in order that I may deal with those concrete cases when I reply.

Mr. Diefenbaker: I could quote many examples. I do not wish to bring in anything that would make this discussion controversial in any respect. However, I would point out one instance which comes to our attention frequently, and that is in connection with orders in council passed by the government which deny the subject the right of recourse to the courts, regardless of illegal interferences that have taken place.

I would mention the order in council dealing with the radium development in northern Alberta. It is all very well to say that that was immediately after the war. It provided uncontrolled power to a controller and gave him a position of superiority above the law such as no one should enjoy. It gave to him the power to do anything legally or illegally; and no matter what he might do, the individual claiming to be wronged would not have recourse to the courts.

Before the Foreign Exchange Control Act was in the form of a statute it operated under regulations and orders in council. There was provision in those orders in council that, where an individual's rights were determined by an official in the department, there was no right of recourse to the courts to the person wronged. I have always taken strong objection to placing citizens of the country in a position of being under the direct domination of an official of the crown, without such persons having the right of appeal against unjust orders.

When the statute was passed, the Foreign Exchange Control Act, provision was made whereby the individual should have the right to proceed against any government official who did wrong in connection with the administration of the act. But with the limitation that such individual, although he is suffering loss of, we will say, $5,000, can recover in the courts only nominal damages, in other words $1, and without costs.

In effect the statute gives the citizen the right to his day in court but it is merely an ephemeral right. It means not only that he must suffer the loss of the damage directly attributable to the wrongful act, but he cannot secure his costs of action even when he is successful.

There has been a trend in the direction of providing that decisions made by governmental boards as a result of which individuals who suffer injustice therefrom are denied any appeal to the courts. I think the time has come, in order to extend the abiding principles of democracy within our country—except when the security of the state is uppermost, and when the ordinary processes of democracy have to give place to the need of action—for a declaration by parliament that never again shall an individual's right of appeal to the courts be denied.

I thank the minister for giving me this opportunity to mention one or two instances in a purely non-partisan matter for the purpose of bringing to his attention the need of giving to the subject in Canada, for the preservation of his fundamental freedoms, rights equal to those actually possessed by British citizens within the United Kingdom.

Mr. Garson: Mr. Chairman, the matter before the committee at the present time is whether the ceiling imposed by statute upon the salary of the registrar of the supreme court shall be raised. I do not think that even by the widest stretch of the imagination would it be possible to trace any relationship

between that question and the matters which the hon. member for Lake Centre has just been discussing. However, in view of the fact that this is a short session and it will not be possible for the hon. member to raise these matters on the estimates of the Department of Justice I am quite willing, if you will permit me, to discuss, on their merits and as briefly as I can, the points which my hon. friend has raised.

For many years the hon. member has been a great proponent of fundamental freedoms and of a bill of rights which as he says would preserve them. As I understand his proposition today, it is that in respect of the Supreme Court Act, which I am sure he will agree is largely procedural in character and does not deal with substantive law, we should provide by some amendment to that statute a recourse to the supreme court for the purpose of protecting these human rights and fundamental freedoms.

I put it to you and to the hon. gentleman that what he is really talking about is not a matter of procedural law that could be secured by an amendment to the Supreme Court Act. He is talking about a matter of substantive law. If, as he contends, the law of Canada is at present defective in the matter of protecting human rights and fundamental freedoms, what is required is something which he himself has advocated on a number of occasions—a bill of rights.

Presuming that the law as it stands at the present time is defective—which I think is open to considerable doubt—I had hoped that some time I might have the opportunity of discussing the resolution for a bill of rights which has been almost permanently upon the order paper in the name of my hon. friend—it can be remedied only by some substantive provision of law which in the nature of things cannot take the form of an amendment to the procedural sections of the Supreme Court Act.

The point here is not whether the supreme court has jurisdiction to hear appeals from any courts which are junior to it. I think my hon. friend will agree that with the amendments which were introduced coincident with the abolition of appeals to the privy council, the jurisdiction of the supreme court to hear almost any kind of appeal from any court in Canada is now pretty much unlimited and that therefore we cannot meet the case which my hon. friend states by attempting to enlarge the jurisdiction of the supreme court upon appeal because they already have wide-open jurisdiction on appeal. If the law be defective it can be changed only by the method which I have always understood the hon. member to have been advocating, namely, by a bill of rights.

The hon. member says that he would like to have this question of whether human rights and fundamental freedoms fall within the federal or provincial jurisdiction submitted to the supreme court.

Mr. Diefenbaker: I said to submit the draft bill of rights which was prepared by the Senate committee.

Mr. Garson: Yes, submit the draft bill of rights which lists the various human rights and fundamental freedoms one after another to the supreme court to have that court determine which of those human rights and fundamental freedoms so listed fall within federal jurisdiction, on the one hand, or within provincial jurisdiction, on the other.

These suggestions, which my hon. friend has just now made in respect to a matter which is completely irrelevant to them, I must confess took me completely by surprise so I am not quite as well equipped to discuss them as I would have been if we had proceeded, for example, under the motion which stands in the name of my hon. friend on the order paper. I am just speaking offhand, but I should think that the supreme court would find some difficulty in deciding whether a subject like the liberty of a person fell under federal or provincial jurisdiction. The habeas corpus acts are provincial acts, for example, while the criminal law is a federal statute. I think my hon. friend will agree that the question of whether one or another aspect of the freedom of the person fell within provincial or federal jurisdiction would depend upon the substantive statute which was being considered by the supreme court at that time and it would be a matter of the greatest possible difficulty for the supreme court to consider human rights and fundamental freedoms in the form of abstract statements.

Therefore, as I said the other night and with great respect, I would be inclined to think that a much more satisfactory way of arriving at the objective which my hon. friend has in mind, if he considered any of the present protections which are enjoyed in the way of human rights and fundamental principles to be in any way defective, would be for him to introduce a private bill to amend the law in that respect. After having taken the precautions, which I know my hon. friend would take, to make sure that the matter fell within federal jurisdiction, he would then have a legal issue for presentation to the supreme court which would be much more satisfactory than the submission of the Hon. Mr. Roebuck's resolution.

Mr. Diefenbaker: The possibility of a private bill introduced by a private member becoming law would depend upon the consent of the minister.

Mr. Garson: That might be quite so, but if my hon. friend with his usual eloquence and persuasiveness were able to convince the administration that it was good law, I am sure we would be only too glad to accommodate him.

The reason I asked my hon. friend whether there were any specific cases of lack of freedom that he objected to was that when one examines these phrases, like freedom of the press for example, and the steps that should be taken to protect them, I think he will find that freedom of the press is very widespread in this country. If I am not mistaken in my recollection, on the only occasion when an attempt was made by one of the provincial legislatures of this country to abridge it, the matter, in spite of what my hon. friend has said today, did get to the Supreme Court of Canada, and as I recall it, it was held that the legislation in question was unconstitutional.

Mr. Diefenbaker: It got to the supreme court by a submission made by the minister of justice, did it not?

Mr. Garson: Yes, quite, which form of submission, as I am sure my hon. friend will be the first to agree, is still available as a means of getting matters of that sort to the supreme court.

When he speaks of this one concrete case he was able to offer by way of objecting to provisions in an order in council dealing with uranium, I am sure that upon meditation he would agree there is really no invasion of any human rights and fundamental freedoms if the democratically elected representatives of the people in parliament assembled, for reasons which seem adequate to them, clothe the governor general in council with certain powers which he proceeds to exercise in a reasonable manner in order to meet very dangerous circumstances. In connection with the particular matter to which he referred, I am sure that after reflection he will not then say that the courts and the remedies therein are being made unavailable to citizens of the country.

I am sure my hon. friend is aware that it is not only in respect of these orders in council passed in the federal field, and which he will agree are passed within the limit of the powers granted by parliament, but also in the provincial sphere that examples of this sort of thing are to be found. I agree with him that provisions of that sort should not be inserted in an order in council or in a statute except for very strong reasons, but I should think if the reason with respect to the matter of uranium which he raised was the withholding of information from the mortal enemies of the country we might very properly consider putting a clause of that sort in a bill or order in council. If we did so I cannot see what connection could be drawn between it and the fundamental freedoms of which he speaks. While there may be differences of opinion between the administration and the opposition upon the matter, I think if any allowance is made for a conscientious approach to their duties on the part of the ministers it will be found upon analysis in all these cases that it is for the protection of the fundamental freedoms of the majority of the people that provisions of that sort are inserted in statutes.

In any event, I cannot see what advantage there would be in an amendment to the Supreme Court Act such as he suggests because these provisions in the statute or order in council are either constitutional or unconstitutional. If they are not constitutional I am sure my hon. friend will agree that at the present time the subject has full rights and a complete remedy in that he may take an appeal to the Supreme Court of Canada which will declare the order in council or statute, as the case may be, to be beyond the power of the legislative body or cabinet which passed it.

His third point was that he wanted the rights of the subject to sue the crown extended. Surely he will agree this has nothing to do with the Supreme Court Act. It might perhaps be better raised under the next bill to come up having to do with the exchequer court. However, in this connection I can only repeat what I said on an occasion when it was much more in order than at the present moment, that in abolishing fiats as we did at the last session in those cases which are now covered in the form of substantive law in the Exchequer Court Act we were taking care of the enormous majority of cases which are likely to arise against the crown.

I am sure my hon. friend, who has had a wide practice in these matters, will agree that when one takes care of negligence actions against the crown one takes care, I should think, of at least 95 per cent of all cases likely to arise between the crown and the subject. Like the hon. member, I have not seen any reports than those contained in the newspapers, of the case that took place the other day concerning certain events in Hull. Like him I am not in the habit of forming my legal opinion in matters of that sort upon the basis of newspaper reports. Therefore I must say that I cannot comment upon that particular case. I appreciate the references which the

hon. gentleman made to myself. I appreciate his interest in this subject. I am very glad he raised these points, and I shall be pleased to take them under consideration, but I must enter the proviso that it seems to me that what is required, if anything be required at all, is not a procedural amendment to the Supreme Court Act but a matter of substantive law in a form which I had always thought my hon. friend had systematically advocated.

Mr. Diefenbaker: As an addition to the last statement made by the minister, I should like to say that at all times together with a bill of rights I have advocated the extension of the right of the individual to appeal to the courts in order to ensure that governments, however powerful and of whatever persuasion they may be, shall not have the right to take away from the subject the right of appeal to the courts.

Mr. Browne (St. John's West): Would the minister explain why he is leaving in this section the provision for a minimum salary of $4,200? Does he think there will ever be a time when the registrar will be paid so low a salary? What is the point of leaving it there?

Mr. Garson: I do not think there will be but I am sure the hon. member will understand that in all matters under the civil service there is an effort that has to be continued at all times to maintain a reasonable relationship between salaries paid for one position and for another with respect both to their minima and maxima. This is the form in which we got it back as approved by the various officers of the civil service who had to check it, and I would be very reluctant to change it. My hon. friend is quite right in saying that under present conditions it has no real application.

Mr. Browne (St. John's West): Further, I would point out that the section says the registrar shall have the rank of a deputy head of a department. Where can he find a comparison in salary between a registrar and a deputy head of a department? It seems to me it is an absurd position, and I would suggest to the minister that he should amend the section.

Section agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? Now?

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

94699—100½

Exchequer Court Act

EXCHEQUER COURT ACT

AMENDMENT TO INCREASE MAXIMUM SALARY OF REGISTRAR

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 31, to amend the Exchequer Court Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Registrar of exchequer court. Tenure of office and salary.*

Mr. Browne (St. John's West): I should like to ask the minister why there is no minimum salary set in this bill.

Mr. Garson: I do not think there ever has been. We have simply retained the language of the old section and changed the maximum salary.

Mr. Browne (St. John's West): You are a true conservative.

Mr. Garson: Coming from the hon. member, that is a compliment.

Section agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time?

Mr. Garson: Now.

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

REVISED STATUTES OF CANADA

AMENDMENT TO PROVIDE FOR SUPPLEMENTARY VOLUME

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 32, respecting the revised statutes of Canada.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Supplement.*

Mr. Diefenbaker: Will the minister make a statement?

Mr. Garson: As hon. members are aware, since I have made the statement several times, we have a statute revision commission preparing the first all-over revision of the federal statutes since 1927. This body has been engaged for some time, and is now approaching the completion of its work. The idea is that, at the

next session of the house in 1952, we should pass a revision of all the statutes which will include all acts passed up until the end of 1951. It is proposed to have all the final copy ready, the type set and the platens taken off and ready to print when this work is completed. It will take about eight months to complete the printing of this huge mass of material. I have no doubt that during this time parliament will be busy enacting more legislation.

Mr. Knowles: And amending some that has been passed.

Mr. Garson: Yes, and amending some that has been passed. But I would point out that the acts we are likely to amend we will likely amend on the terms of the 1927 revision and amendments. The purpose, and the only purpose, of this bill is to get over this difficulty of the legislative process continuing simultaneously with the printing process.

The amendments presented to the house during the 1952 session will not be incorporated in the 1952 revision, because the 1952 revision will include all of the statutes passed up until the end of 1951. When that work is finished we have to set it in printed form, so there has to be a cut-off date. The whole purpose of this bill is to authorize the governor in council to make provision for adding a supplement to the 1952 revised statutes. In others words, you will have volumes I, II, III and IV and an index. Then there will be this supplement. In the future, anyone looking at the revised statutes will look in the index and the index to the supplement, and will know that he has all the 1952 revised statutes listed in these two indices here.

In the meanwhile, we shall put out a 1952 volume of the annual statutes which will contain the appropriation acts, private and local acts and temporary acts that have no particular legislative character. Now, that is the purpose and the only purpose of the bill.

Mr. Diefenbaker: The other day the minister mentioned that he had not as yet had a report from the commission engaged in revising the Criminal Code, which of course will be one of those statutes. In view of the fact that he expects that, with the exception of the amendments passed in 1952, he will go ahead with the printing of the revised statutes, does that mean it is expected the house will be made aware of the suggested changes in the Criminal Code at the next session so that the new Criminal Code may be included in the revised statutes?

Mr. Garson: As my hon. friend is aware, the body which has been revising the Criminal Code is a separate body from that which has been revising the statutes. At the next session we shall introduce the report of the body revising the Criminal Code, and we shall be asking the house to enact a revised Criminal Code in which we hope we can reduce the number of sections from somewhere between 1,100 and 1,200 to something between 700 and 800. This will be published, either with this supplement or as a separate consolidated statute. I believe most lawyers will agree that there is a great deal to be said for having a consolidated Criminal Code in a volume by itself.

Mr. Browne (St. John's West): If that is so, why does not the minister decide on that now? I think it is a wonderful idea.

Mr. Garson: Decide on what?

Mr. Browne (St. John's West): Why do we not decide now to have a separate volume for the Criminal Code and keep it separate from the rest of the revised statutes?

Mr. Garson: I think we shall.

Mr. Browne (St. John's West): I am glad that is going to be done but do not be in any doubt about it. Further I should like to ask the minister when he expects that the consolidation will be ready for printing.

Mr. Garson: That is, of the statutes or of the code?

Mr. Browne (St. John's West): Of the revised statutes.

Mr. Garson: I would think they will be ready by not later than February 1. That is an estimate, but I think it is a reasonably accurate one.

Mr. Browne (St. John's West): That is, they will be ready for printing?

Mr. Garson: Yes.

Mr. Browne (St. John's West): When does the minister expect that they will be printed after that?

Mr. Garson: As I said a few moments ago, it will take about eight months to complete the printing, the proofreading, galley proof, page proof and so on. Then there is the binding of them. It will take about eight or nine months in order to get them out in book form.

Mr. Browne (St. John's West): My purpose in asking that series of questions is this. What is the point of having a supplementary volume? The statutes for 1952 will begin again and go right on, in another series.

Mr. Garson: I am afraid that I did not make myself clear to my hon. friend. When the process of printing is started, we will say in February—the middle of February, 1952—of the 1952 revised statutes, about the same time or maybe a little bit later or a

little bit before we will start passing the annual 1952 statutes. If we do not make the provision which we attempt to make in this present bill, to have included the statutes which this house passes while the 1952 revised statutes are in the course of being printed, then we will have a hiatus in the revised statutes in that they will not reflect the bills that we pass in 1952. That is the reason we are doing that.

Mr. Browne (St. John's West): But the statutes published in 1952 will be themselves the statutes. You have your revised statutes up to the end of 1951. What is the point of having a supplementary volume?

Mr. Garson: For this reason, Mr. Chairman, amongst others. As my hon. friend who is himself a lawyer knows, when one speaks of the 1927 revised statutes, one always thinks of the 1927 revised statutes which include the statutes or any amendments which were passed in 1927. In the older days when parliament did not sit so continuously, this printing could be done in between sessions of parliament. But at the present time when the statutes are of their present magnitude, it takes a long while—a matter of some eight or nine months—to print them; and when, simultaneously with that printing process, there is a legislative process going on changing perhaps some of the very statutes which are being printed, if you do not make the provision that we are seeking here, you will end up with 1952 revised statutes which lawyers and others subsequently will not be able to refer to as being inclusive of all the statutes that are passed up until the end of 1952.

Mr. Browne (St. John's West): Perhaps I did not make myself clear to the committee, Mr. Chairman. We are now making a consolidation and revision of the statutes which will be up to the end of 1951. Let us assume for the sake of argument that the prediction of the hon. member for Lake Centre as to an election in 1952 is correct and that the house were to adjourn suddenly without passing any legislation. The consolidation would be up until the end of 1951. Does the minister not agree? Then suppose for the sake of argument we passed two statutes only. They would be the statutes of 1952, first session. If there was a session following the first session, what is the objection to having that as the supplement to the revision instead of publishing a special volume? What is the point of publishing a special volume? It does not matter whether there are two or one hundred and two statutes. It is all in the session of 1952. They can still be used *ipso facto* as a supplement without having any special volume published at all.

Mr. Garson: I think my hon. friend would perhaps agree that, in the first place, parliament would not want to feel shackled in respect of any amendment that it would like to introduce to statutes which are included in the revision, during its 1952 session. If it wishes to do that I think it would be much better, in view of the small amount of extra cost that would be involved, to be able to present to the people of Canada for the next period of years—it is now twenty-five years since our last revision—revised statutes of 1952 which in all their volumes will contain all the statutes as revised up until the end of that year. If by putting that supplement in we can achieve that end, I think it is desirable that we should do so.

Mr. Browne (St. John's West): May I ask the minister one question?

Mr. Garson: Yes.

Mr. Browne (St. John's West): Will that supplementary volume be any different from the statutes of 1952?

Mr. Garson: Oh, yes. I explained that point before to my hon. friend. I said that all of the statutes of a legislative character, as distinguished from those which provide for supply and are of a sort of administrative character, will be included in this supplement. But the other ones that have nothing to do with legislative acts of general application will not be brought into the 1952 revision as a part of it, although under the circumstances they will have to be published in the form of a small separate volume. But then, fifteen years from now, anyone wanting to know what the revised statutes of 1952 are can go to the one small shelf of books and he has there the whole thing complete for 1952.

Mr. Browne (St. John's West): To refer back to the question of the criminal code, is it the intention of the government to have a separate volume for that?

Mr. Garson: Yes.

Mr. Brooks: I should like to ask the minister whether the printing is all to be done by the king's printer. I have heard him state a number of times that the king's printer is extremely busy and that they have to wait sometimes eight or nine months to have work of this kind done. It seems to me that it could be done outside of the king's printer, under contract. I am just wondering if the minister can tell us about that?

Mr. Bradley: Part of it is now set up in type.

Mr. Brooks: Part of it may be set up in type, but is it all being done by the king's printer?

Mr. Bradley: Yes.

Mr. Brooks: Is it necessary that this should all be done by the king's printer?

Mr. Garson: I hope my hon. colleague will correct me if I am wrong, but I think all those arrangements have been made in the ordinary course. It is a peculiar set-up and we would prefer to have it done as an internal job. We must have specially skilled proofreaders and the like for the proofreading of the statutes. In many ways it is quite a difficult and important task.

Mr. Knowles: I have no objection to the proposal contained in this bill, Mr. Chairman, but it seems to me that both the minister and the hon. member for St. John's West are making a mountain out of a molehill. It seems to me that the difficulty could have been resolved by just calling it the revised statutes of 1951, including the statutes up to the end of this year and then starting with one annual book for next year. If it turned out that there were two sessions of parliament in 1952 I can see that we might end up with three volumes for 1952; one would be the supplement to the revised statutes, another would be the statutes passed in the first session and another would be the statutes passed in the second session. In other words, the confusion which has been indicated by the minister is capable of being compounded, if one wants to do so. However, it is good to know that these revised statutes are on the way and will soon be available.

When the minister first began his explanation in committee today, I thought I heard him say something to the effect that it was the intention of the government that in 1952 parliament would pass these revised statutes. Am I correct in understanding the minister to use that language? That is not the case, is it?

Mr. Garson: Oh, no, that is not the case. I am glad that my hon. friend has raised that point. The very act that we are amending here provides for their being taken care of in the manner outlined in this act. If I have said anything to the contrary, I was in error. I will check on what I said.

Mr. Knowles: Whatever the minister said previously, it is clear now that the commission that is doing the job has the authority of the previous act—

Mr. Garson: That is right.

Mr. Knowles: —with the sanction of the governor general or the governor in council to issue a certified revision.

[Mr. Brooks.]

Mr. Garson: That is right.

Mr. Knowles: May I ask whether certain cases that I have in mind will be covered? For example, at this fall's session of parliament, amongst the bills we have passed was one that I think was entitled "The Canadian Forces Act". It included amendments to a score or more of existing statutes. I believe it was the hon. member for Kamloops who asked the Minister of National Defence whether it should not have been done by the process of amending each one of these statutes. The Minister of National Defence said that his department preferred it this way. I am asking the Minister of Justice now whether these respective amendments to a score or more of different statutes will come before us in the revised statutes as the Canadian Forces Act of 1951, or will these amendments be distributed amongst the various acts which were thereby amended?

Mr. Garson: Well, I must not leave the impression with my colleagues in the house that I have specifically directed my attention to this point so that I can speak with complete authority. But my impression would be that in a case of that kind it would be covered by either of those two methods that my hon. friend has referred to, or possibly by a third one, by cross references or footnotes, making it clear that an amendment to a particular statute which the reader was examining was to be contained in another statute; and there would be a footnote at the bottom to indicate what that amendment was. There is a drafting difficulty to overcome there, I will grant you, but I am sure that that would be picked up in the ordinary course of events. I will make inquiries as to which of these alternatives will be employed.

Mr. Knowles: The same thing would apply with respect to the Statute Law Amendment (Newfoundland) Act?

Mr. Garson: Yes.

Mr. Knowles: The purpose of that act was to amend a whole host of statutes of Canada to include reference to Newfoundland where that reference was needed. I presume the minister will make the same answer as he made to my previous question. It does seem to me that the more sensible thing is to have those amendments incorporated right into the act concerned.

Mr. Garson: Of course the difficulty about that is that the amendments in the form in which they were originally passed were the separate sections of, we will say, the a, b, c act, and if you put one into the x, y, z act

and another into the p, d, q act and another into another act you leave the reader of the volume in the position where he is wondering whether in coming from one place and appearing some place else they have not lost their original connotation. However, I think these are matters that we really do not need to worry our heads about, because they are technical matters for the draftsmen. If I had thought there would be any curiosity on the part of any hon. members in this connection I certainly would have briefed myself on this point.

Mr. Knowles: I can tell the minister that there is at least one curious member here.

Mr. Garson: I thought you said "purist".

Mr. Knowles: No. Even so, I had better get on before someone picks up that comment and makes something else out of it. I have in mind legislation affecting veterans, the Pension Act, and the War Veterans Allowance Act, and all the other statutes affecting veterans. As the legislation now stands, these acts in themselves do not contain the necessary references to cover veterans who served in world war II as citizens of Newfoundland. The legislative sanctions covering them are found in the statute called the Statute Law Amendment (Newfoundland) Act. I will not pursue the matter further, but it did seem to me that the proper place to have these references would be in the veterans legislation itself.

Section agreed to.

Section 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Garson: Now.

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

The house resumed consideration of the motion of Mr. Bradley that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I had the honour of adjourning this debate, with some assistance from the Minister of Public Works (Mr. Fournier).

Mr. Knowles: Assistance?

Mr. Macdonnell (Greenwood): It turned out that we had later a surprise, because this resolution which sounds very interesting and very very innocent in its wording turned out to have more of a sting in the tail of it than was apparent to us or to the Minister of Public Works, who seemed to think right to the end of the interesting debate we had that the purport of the resolution was not quite the same as indicated by the Secretary of State (Mr. Bradley).

The resolution reads very briefly:

That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

When this matter was up before, the hon. member for Vancouver East (Mr. MacInnis) made some comments on the inadequacy of the resolution, which were very pointed, clear and forceful, and I propose to say nothing more on that point. But I wish to refer to what the Secretary of State said in introducing the resolution. He said in part, as reported at page 1500 of *Hansard*:

The present salaries of the civil service commissioners are greater than those actually specified in the Civil Service Act, the authorization for this being obtained annually by means of a special item in the estimates.

Then he added what I feel expresses very accurately and sincerely what he meant, and what no doubt members of the government often feel. He said this:

It is the purpose of the present amendments to the act to avoid the necessity of having recourse to the estimates . . .

Now, I am sure that idea is very attractive to members of the government, "to avoid having recourse to the estimates." But I go on. The minister said:

. . . by providing that the salaries of the civil service commissioners shall be set by the governor in council, which may also, on the recommendation of the Prime Minister, retain the services of a commissioner beyond the age of 65 years.

The Minister of Public Works seemed to think that the matter was a very simple one, and had to do only with the tenure of office of the commissioners. He says this seems to be the important section. Well, of course, we have not seen the bill and therefore we are not able to judge as between one section and another. But I want to go back—and this is my chief point—to a remark made by the Secretary of State. He said:

It is the purpose of the present amendments to the act to avoid the necessity of having recourse

to the estimates by providing that the salaries of the civil service commissioners shall be set by the governor in council.

As I said before, it seems to me we should have further information; because I think it would be difficult to persuade us that these salaries—if I have correctly understood the Secretary of State (Mr. Bradley)—should be dealt with in a manner so entirely different from the manner of dealing with other salaries.

We have spent considerable time in this chamber in the last three days settling certain other salaries by statutes. Here however we are not even to have them settled and presented in the estimates. Rather, we are to have them fixed by the governor in council. When we get into committee we will certainly need to have information on that subject because, on the face of it, it is repugnant to the whole idea of the fixing of salaries.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say a few words on this resolution, and would direct my remarks first to the adequacy of it. I do not believe it is necessary to repeat what has already been said by the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Winnipeg North Centre (Mr. Knowles). All I will say in that regard is that there is not enough information in the resolution to make it possible for us to judge as to the value or the foolhardiness of the legislation to be introduced. My own feeling is that it will be quite foolhardy.

The information given by the Secretary of State (Mr. Bradley) does not indicate in any way what will be contained in the bill, other than that there is a desire to get away from the necessity of talking to this house about salaries during discussion of the estimates. As the hon. member for Greenwood (Mr. Macdonnell) has said, it would be desirable to get away from that necessity each year; but there is a suggestion that the salaries will be fixed by orders in council. That is completely contrary to practice, and certainly, as the hon. member for Greenwood has said, it is repugnant to members of the house.

I say that, of all salaries, those of the civil service commissioners ought to be set by statute. They are the body who are supposed to be as far removed as possible from any political influence. The suggestion in the resolution is that the civil service commissioner be brought as closely as possible under the control of the government, not the control of members of the House of Commons. That principle is wrong, completely wrong. Members of the house do not want the government tampering with the civil service commission—and it could tamper with them, through salaries, and do so by order in council and without reference to the House of Commons.

There is also for consideration the matter of the tenure of office. I should like to know what special dispensation ought to be given the Prime Minister (Mr. St. Laurent) to recommend the extension of service of any man, without reference to the house. Especially is that true in a body like the civil service commission. I am completely opposed to the principle here suggested. I think the recommendation of the Auditor General ought to be implemented, and that is to have the salaries of the civil service commissioners set by statute, after that statute has been brought here, before members of the house. We should not have a condition whereby part of the salaries is set by statute and another part is set by the insertion of an item in the estimates. That is not a good way, nor is the present suggestion a good one.

If I am right in assuming that the intention is to give the governor in council the right to set these salaries and the tenure of office, and to do so by order in council, then I am completely opposed to the resolution, and I shall vote against it.

I strongly urge that the government ought not to proceed in this way. Let us take care of the matter in the ordinary fashion, by bringing in an amendment to the statute stating that these salaries and tenures of office shall be made statutory, subject to change from time to time by reference to the House of Commons. If that is done I shall have no further opposition to it.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to support what has been said by hon. members who have preceded me in the debate. It would seem to me, from the statement of the Secretary of State (Mr. Bradley), that there are two points to be considered: one is that the salary of the civil service commissioners shall be set by the governor in council, and the other is that the tenure of office of these commissioners, who are generally men advanced in age, may be extended beyond the ordinary retirement age of 65 years, and that this may be done at the wish of the Prime Minister (Mr. St. Laurent).

It seems to me that this is a backward step. Indeed, both of these suggestions are backward steps. What we want to see in this country is civil service commissioners becoming as independent as the Auditor General, and not being subjected to political influence. In what other way can the public

have confidence in the appointment of civil servants? If the salaries and tenure of office of these commissioners are placed directly under the power of the governor in council, then I do not think they could do anything that would have a greater effect in taking away confidence in the civil service commissioners.

We would like to see the civil service commission a body in which the general public would have confidence, and especially one in which members of the civil service would have confidence. But if the civil service commissioners are going to be placed in the hands of the cabinet, then that confidence will be destroyed. Let me repeat my belief that, if this is done, it will be a backward step.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I think before passing the resolution, without giving the details of the bill, I might state that it is a very short one and deals exactly with what is mentioned in the resolution, namely the tenure of office and salaries of the commissioners.

The civil service commissioners are and always have been appointed by order in council. They shall hold office—and this is as it is stated in the old act—during good behaviour, for a period of ten years, from the date of their appointment. That is as it exists right now. In other words, if we withdrew this resolution we would remain in the position where they are appointed for ten years. So I cannot follow the suggestion of the hon. member for St. John's West (Mr. Browne) that they are not independent of the government. They are in fact appointed during good behaviour.

An hon. Member: What does that mean?

Mr. Fournier (Hull): I do not know.

Mr. Browne (St. John's West): What about the statement of the Secretary of State as it appears at page 1500 of *Hansard*?

Mr. Fournier (Hull): You read it carefully, and you will see it is the same thing I am now repeating. They are appointed during good behaviour, for ten years. Other appointments, such as those of judges, on the other hand, are made for life. In this instance I repeat it is for a period of ten years.

What the government is seeking to do is to be able to extend that period of appointment, so that when they have completed ten years the period could be extended for another term of ten years, or for less than that. That is the only amendment suggested as to tenure of office.

Then, as to salaries: actually, the amount of the salaries is stated in the statute. But with increased salaries in recent years, in order to keep the salaries of the commissioners on the same level as those of other civil servants, the government has had to include an estimate superseding the statute —because the estimate was, in itself, a statute.

We wish to have the commissioners placed on the same footing as other officials such as deputy ministers, so that when increases in salaries are requested the government can increase those salaries.

Mr. Knowles: What about the Auditor General?

Mr. Fournier (Hull): No, I am not going to start in with the Auditor General who, for decades, has been an official of the House of Commons, or parliament.

I understand you gentlemen would like to have the civil service commissioners employees of parliament. The policy of the different governments since I have been here was not to put them under parliament. Friends of my hon. friends on the other side modified the act and had an inquiry between 1930 and 1935. In their wisdom they did not think that the commissioners should come under parliament; they kept the appointments under the governor in council. If the opposition has changed its policy, I have no objections, but we have not changed ours as yet.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, the Minister of Public Works (Mr. Fournier) has not done his usual good job because he can generally convince me when he is dealing with his own department. This time he sounded rather apologetic. The resolution before us will eliminate for all time the right of parliament to determine what shall be the salaries of the civil service commissioners, and that is a bad principle. If it was just a matter of letting the cabinet determine what these three persons were going to receive by way of remuneration from time to time, it would not be so bad, but that is not the case.

These three civil service commissioners preside over the destinies of all civil servants. They determine the formulae for the hiring of civil servants, and they determine also the salary ranges. When the Department of Veterans Affairs, for example, think that they should lift the salary range of their employees they must go before the civil service commission and prove that that is necessary. Actually these three men are presiding over all the functions of government outside this house.

I think that this House of Commons should at least keep them coming back here at any

time they feel that they want increased remuneration. The principle now being established goes a long way toward eliminating control of parliament in the matter of governmental expenditure. Dealing with their own salaries is not important, but these three persons have to do with considerable expenditures outside this house. As I said before, they have to do with practically all the functions of government in the way of remuneration, hiring and so forth.

If there are three people in the civil service who should be tied up closely to this House of Commons in the matter of their own remuneration, it is these three civil service commissioners. If he examines the principle that is being advocated by this resolution I think the Minister of Public Works will realize that the government is taking a step in the direction of giving the governor in council the power of setting the remuneration for every department of government.

Mr. Fournier (Hull): That is what they do.

Mr. Gillis: No, they do not.

Mr. Fournier (Hull): On recommendation of the civil service commission, approved by treasury board.

Mr. Gillis: Oh, no.

Mr. Fournier (Hull): Oh, yes.

Mr. Gillis: The Minister of Public Works knows that for two years we have been reading reports in the press and other places referring to the salaries of civil servants and the fact that they should be increased or otherwise. What does the average civil servant have to do? First, he has to band with others in an association of employees, executive officers have to be hired who sit down and prepare their case, and prepare it well. Then they have to go to the civil service commission and fight it out. When that is decided, the matter comes back to the treasury board. In the final analysis, if there is going to be an increase it is brought into the house by the Minister of Finance (Mr. Abbott) and ratified here. There are a lot of stop blocks in regard to increasing the remuneration of civil servants.

The only people the civil service commissioners have to negotiate with are the treasury board. If the Minister of Public Works felt that they were entitled to an increase in salary he would come to this house and recommend it. As a rule he got it. Now they will not even have to take the trouble to bring it into the house. The prerogative of the House of Commons to determine expenditures of money is being taken away. I think it is a step in the wrong direction to take away from the House of Commons the control which it has at the present time.

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

YEAS

Messrs:

Anderson	Jeffery
Ashbourne	Jutras
Balcom	Kirk (Antigonish-Guysborough)
Bater	Lafontaine
Beaudoin	Laing
Beaudry	Langlois (Gaspe)
Benidickson	Lapointe
Blanchette	Lefrancois
Blue	Leger
Boisvert	Lesage
Boivin	Little
Boucher	Macdonald (Edmonton East)
Bradette	MacDougall
Bradley	MacKenzie
Breton	MacLean (Cape Breton North and Victoria)
Brisson	MacNaught
Brown (Essex West)	Macnaughton
Bruneau	McCann
Byrne	McCulloch
Cameron	McCusker
Campney	McDonald (Parry Sound-Muskoka)
Cannon	McIvor
Carroll	McLean (Huron-Perth)
Carter	McMillan
Cauchon	McWilliam
Cavers	Major
Chevrier	Martin
Claxton	Masse
Cleaver	Mayhew
Cloutier	Monette
Corry	Mott
Cote (St. Jean-Iberville-Napierville)	Murray (Cariboo)
Cote (Verdun-La Salle)	Murray (Oxford)
Cournoyer	Mutch
Crestohl	Nadon
Croll	Nixon
Cruickshank	Parent
Dechene	Picard
Decore	Pinard
Dickey	Proudfoot
Dion	Ratelle
Dumas	Richard (Ottawa East)
Eudes	Richard (St. Maurice-Lafleche)
Eyre	Riley
Fournier (Hull)	Rinfret
Fulford	Robertson
Garland	Robinson
Garson	Rochefort
Gauthier (Lake St. John)	Ross (Hamilton East)
Gauthier (Lapointe)	St. Laurent
Gauthier (Portneuf)	Simmons
George	Sinclair
Gingras	Sinnott
Gour (Russell)	Smith (Moose Mountain)
Gregg	Stick
Harris (Grey-Bruce)	Stuart (Charlotte)
Harrison	Studer
Healy	Tremblay
Hellyer	Viau
Helme	Ward
Henderson	Warren
Hetland	Weaver
Hosking	
Huffman	
Hunter	
James	

Weir	Winkler
Welbourn	Winters
Whiteside	Wood—135.
Whitman	

NAYS

Messrs:

Argue	Green
Balcer	Hansell
Beyerstein	Hees
Black (Cumberland)	Herridge
Blackmore	Hodgson
Blair	Jones
Brooks	Knowles
Browne (St. John's West)	Lennard
Bryce	Low
Casselman	Macdonnell (Greenwood)
Catherwood	MacInnis
Charlton	MacLean (Queens)
Churchill	McGregor
Coldwell	McLure
Courtemanche	Noseworthy
Diefenbaker	Nowlan
Dinsdale	Poulin
Drew	Quelch
Fair	Shaw
Fairclough, Mrs.	Thatcher
Fleming	Tustin
Fraser	White (Hastings-Peterborough)
Gibson	Wright—47.
Gillis	

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I voted, I would have voted against the motion.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted against the motion.

Mr. Cardiff: I was paired. Had I voted, I would have voted against the motion.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted against the motion.

The house went into committee, Mr. Beaudoin in the chair.

Mr. Fournier (Hull): Mr. Chairman, I move that the committee rise, report progress, and ask leave to sit again.

Progress reported.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient, for the purpose of providing a deep waterway between Montreal and lake Erie, to create a corporation to be called "The St. Lawrence Seaway Authority" with power, *inter alia*, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the authority.

He said: Mr. Speaker, of the various occasions upon which I have had the privilege of rising in this house, there are two which have a particular significance for me and will always stand out in my mind. The first was a number of years ago when I rose, not without some trepidation, to join with the then member for Brandon in seconding the address in reply to the speech from the throne. The second is upon this occasion when I rise to propose a resolution dealing with a subject of great importance to the economy of Canada, the development of the great lakes-St. Lawrence seaway. This subject has been agitating public opinion for over a century.

It has been the subject of negotiation between Canada and the United States for over half a century. These negotiations culminated in the treaty of Washington of 1932, defeated in the United States Senate, and the great lakes-St. Lawrence development basin agreement of 1941 which after ten years still awaits congressional approval.

The object of this resolution is to establish an authority for the purpose of constructing a deep waterway between the port of Montreal and lake Erie. The works necessary for the waterway may complement other works on the United States side of the border, or they may provide a waterway wholly within Canada. It is intended further that the authority should maintain and operate the completed Canadian works of this waterway.

I should say at once that another resolution will follow, seeking approval of an agreement with the province of Ontario with respect to the power to be developed in the international section of the St. Lawrence river in conjunction with the seaway.

While the terms of the resolution now before us relate strictly to the St. Lawrence seaway authority, the house will I think expect me to give a broad general review of the whole project, which of necessity includes both power and navigation. For that purpose perhaps it would suit the convenience of hon. members if I should direct my remarks not only to the resolution now before us but also to the resolution concerning the agreement between Canada and Ontario, tabled yesterday.

In the first place, Mr. Speaker, I need hardly tell a forum such as this, composed of members from all parts of Canada, what an important part water transportation has played in the development of our country. In fact for many years it was the only method of conveyance and it played a determining part in the establishment and the location of many of our important cities.

St. Lawrence Waterway

Without going into details, let me refer briefly to the canal developments in our country which divide themselves under three heads:

1. A series of canals providing a 9-foot channel from Montreal to lake Erie. Although these canals were built in 1850, they were considered then as a considerable achievement by our people.

2. By 1904 all of these canals had reached a depth of 14 feet.

3. At Sault Ste. Marie four separate canals had been constructed to pass the rapids in the St. Mary's river which separates lake Superior from lake Huron. The two deepest of these were about 18 feet deep, and they included one which had been built by Canada.

The present period of international interest in the St. Lawrence river begins officially about the turn of the century. It involves the concept of a deep waterway with uniform standards from the lakehead to Montreal. The interest had a grass-roots origin in the demands of the inland population of both countries for a more economical connection with the outside world, without regard to boundary waters, without regard to boundary lines and particularly without regard to the political border.

This period has been marked by much talk but no new works in the St. Lawrence, and by little talk but continued works and improvement in the upper reaches of the great lakes. Canada built the Welland ship canal through the Niagara peninsula. The United States provided three deep locks at Sault Ste. Marie, including the MacArthur lock opened in 1943 which has a depth of 31 feet. Over and above that the United States has deepened the river channels in a series of successive programs. The result has been that today there exists in the upper region a channel for downbound traffic of 25 feet and a channel for upbound traffic of 21 feet, extending from Duluth and Fort William at one end of the lakes to Prescott.

The continued improvements for navigation above lake Erie came largely in response to the demands of the iron ore trade. Last year the five locks still in service at Sault Ste. Marie passed a total of some 106 million tons, over 80 million of which was iron ore.

The iron ore ranges near lake Superior would not have reached their present development were it not for the limestone near lake Michigan and the coal near lake Erie. Neither would the present steel centres be producing the great volume of comparatively cheap steel. But something more was needed. It was deeper navigation. It was large channels that were required for the additional trade. It was the canal and channel development which made cheap water transportation a reality. But I should like to say more about that at a later stage.

The boundary line which separates Canada and the United States follows by treaty the 45th parallel of latitude until it strikes the St. Lawrence river at a spot a short distance east of Cornwall, and from thence for a distance of 115 miles westerly it follows the middle of the stream until it strikes the foot of lake Ontario. Because the Long Sault rapids in the international rapids section of the river St. Lawrence—about which much will be said in this debate—are in what is known as international waters, in order to develop those rapids it has therefore been necessary to seek the concurrence of both countries. Since 1895 Canada and the United States have co-operated in a series of investigations. They have covered both the engineering and economic aspects of the project. No other project of comparable size has had the benefit of such careful scrutiny and such complete engineering data. Every report has favoured the development of deep draft navigation in the St. Lawrence river, and from an early date all have recommended a power development in the international rapids section as an integral part of the project.

What then, sir, is the proposed great lakes-St. Lawrence seaway development? It is a 2,000 mile channel, 27 feet in depth, extending from the Atlantic seaboard to the heart of the North American continent. Coupled with this is a large power development at two sites at least, if not three. The first is in the international rapids section of the St. Lawrence river, where it is proposed to develop jointly with the United States 2,200,000 horsepower of electrical energy, one-half of which will belong to Canada and the other half to the United States. The second is in the Soulanges section, where power development is already far advanced and where the Beauharnois installations will reach 1 million horsepower before the end of this year, with an ultimate expansion to 2 million horsepower when the installations are fully completed. The third site is the Lachine section where a projected 1,200,000 horsepower development might well be installed.

The great lakes-St. Lawrence seaway must first of all be distinguished from the St. Lawrence ship channel, which is a channel 35 feet in depth extending from the port of Montreal to a point 30 miles east of the city of Quebec. This channel has been deepened

at substantial cost by the federal government in order to bring deep-sea navigation into the port of Montreal.

The St. Lawrence seaway should also be distinguished from the great lakes-St. Lawrence basin. This is a vast drainage system covering an area of 678,000 square miles, of which almost 500,000 are in Canada and 185,000 in the United States. It includes lake Superior, lake Michigan, lake Huron, lake St. Clair, lake Erie, lake Ontario and the St. Lawrence river, together with all the tributary rivers and streams which flow into the basin, the chief of which are the Ottawa, the Saguenay and the St. Maurice rivers.

What does the great lakes-St. Lawrence basin consist of? It consists of five steps which are its chief assets and its chief liabilities; chief assets because within the steps lie tremendous amounts of waterpower awaiting development; chief liabilities because in order to circumnavigate these steps side canals must be built at some cost to the government.

The five steps are: 1. St. Mary's falls lying between lake Superior and lake Huron, where there is a drop of 21 feet; 2. The St. Clair-Detroit passage joining lake Huron and lake Erie, where there is a drop of 8 feet; 3. Niagara river, emptying from lake Erie into lake Ontario, with a drop of 326 feet; 4. The upper St. Lawrence river from lake Ontario to Montreal, with a drop of 225 feet; 5. Montreal to the sea, a drop of 20 feet, entirely in Canada. These five steps will, it is estimated, develop approximately 9 million horsepower, divided as follows: At Niagara, 3,600,000 horsepower; in the international rapids section, 2,200,000 horsepower; in the Beauharnois or Soulanges section, 2,000,000 horsepower; in the Lachine section, 1,200,000 horsepower. All of this power is Canadian with the exception of 1,800,000 horsepower at Niagara and 1,100,000 horsepower in the international rapids section.

There is no need to labour the economic significance of this white power in an area of Canada where no coal or black power is found.

To what extent have these facilities been developed? From a power point of view 100,000 horsepower have been developed at the Sault, 1,800,000 at Niagara, 93,000 at Massena, New York, and over 1,000,000 in the Soulanges section. Therefore out of a total potential of 9,000,000 horsepower, barely 3,000,000 have been developed, or about one-third.

For navigation, I have already mentioned the facilities that provide 25-foot channels past the first three steps, from the head of the great lakes to Prescott. The fleet of lake vessels using these facilities is said to provide the cheapest transportation in the world, the largest of them carrying over 20,000 tons.

From Montreal to the open gulf, the fifth step, the federal government has provided the St. Lawrence ship channel. It has been sufficient to make Montreal one of the busiest ocean ports of the world.

But at the fourth step, between Montreal and Prescott, there remains the 14-foot bottleneck. In other words, from Prescott to the head of the upper lakes are navigational facilities for 25-foot craft, and from Montreal to the sea are navigation facilities for 35-foot craft, but between the two is the neck of the bottle which should be made to disappear. The largest vessels that can pass the small locks of the present canals can carry less than 3,000 tons. These canals have served Canada well in their time, but their time is now past. They are obsolete, if judged by present day standards of traffic, method of construction and operation.

What new works are proposed with reference to this project? The new works proposed are those outlined at the time of the 1941 agreement. They are a matter of public record, so I need only refer to them here in general terms. However, attention centres chiefly on requirements in the upper St. Lawrence river, and that for obvious reasons. This part of the river, from Kingston to Montreal, divides naturally into five sections; the thousand islands section; the international rapids section; lake St. Francis section; the Soulanges section; the Lachine section. The second of these sections, namely in the international rapids section, is the area where the most of the works referred to in the agreement will have to be performed. Here the basic power development would include an upper control dam near Iroquois and a main dam and powerhouse near Cornwall. The project is what is known as the 238-242 single stage control project. This means that when the project is completed the elevation will be from 238 to 242 feet above the level of the sea. When one considers that the present elevation along the highway extending from Morrisburg to the city of Cornwall is 225 to 230 feet one will immediately realize that when the project is completed all those communities extending along that highway will be submerged to the extent of from 10 to 15 feet. It will be necessary, too, to construct short canals around both the control dam at Iroquois as well as the main dam in the Long Sault rapids. In the 1941 agreement it was proposed that the canals be on the United States side, but there is no problem

about putting them on the Canadian side. As a matter of fact general plans have been prepared for such Canadian canals.

The other section that I had reference to a moment ago is Soulanges. Here the basic power development already exists at Beauharnois, and a wide power canal is available for navigation. Little more is necessary than to add the locks and short access channels.

Third, in the Lachine section the minimum development will be a 10-mile canal and considerable channel enlargement. But a large-scale power development is possible in this section too. Discussions have been opened with Quebec, out of which may come an agreement for a combined power and navigation development in the Lachine section.

As for the work required in the great lakes, it will be necessary to enlarge the various connecting channels and deepen them to 27 feet. Except for the Welland ship canal, the work would be done by United States. This is no more than a continuation of a development that has been going on for over a century, it will be observed. And it is worth noting that this development could proceed independent of the 1941 agreement.

Why is the project necessary from a power standpoint? I need hardly dwell on the need for power, for the case has been clearly put by those who are interested in that part of the project. However, let me say in general terms that as a result of the rapid post-war expansion of industry, together with a constantly rising domestic consumption, the province of Ontario has been, for the past few years, faced with an acute shortage of power to meet demands. The house will recall that Canada negotiated a treaty last year with United States, ratified early this year, permitting a larger diversion of water for power at Niagara. The Ontario Hydro Electric Power Commission lost no time in beginning a redevelopment there that is expected to harness another 600,000 horsepower or so before the end of 1954. But demand cannot wait in Ontario till 1954. In a province that prides itself on cheap hydro power, two large steam plants have already been started at Toronto and Windsor, and in each case the planned installation has been increased before the plant could be completed. I believe that the ultimate capacity now planned for these plants is nearly 900,000 horsepower. It appears that still more steam capacity will be required in the near future if the international hydro site is not developed. It comprises the one large block of undeveloped hydro power that now remains available in the southern part of the province. The *Financial Post* in its issue of November 10 quotes Mr. R. H. Saunders, chairman of the Ontario Hydro Electric Power Commission, to the effect that present estimates show demands for power can be met up to the end of 1956, and that after that the commission stands at the crossroads if the St. Lawrence power is not available.

Post-war demand has been growing rapidly in Quebec too, including more particularly the metropolitan area of Montreal. Several power developments or expansions are under way right now, but it appears that construction of additional facilities must start in the near future as well. Quebec is fortunate in that Lachine is not an only choice. Power needs could be met for some time by first a final expansion at Beauharnois, and next by the expansion of other sites such as that at Carillon, for instance. It is my hope nevertheless that an agreement can be reached with the province of Quebec for a joint development for power and navigation at Lachine.

Why is the project necessary from a navigation standpoint? With respect to navigation, the main objective is to remove the present bottleneck in the St. Lawrence river. Removing the bottleneck would save many millions of dollars a year in the cost of moving shipments that today pass its small canals or follow alternative routes to market. This alone would be sufficient reason to construct the seaway. Now it also promises to be the key that will unlock the future for the iron ore fields of Quebec and Labrador. It will open large new markets for these ores in the great lakes area, otherwise largely out of economic reach. And on the other side of the coin it will give those interior steel mills the best new source of ore at the lowest cost, a matter of serious concern at the moment.

Iron ore: The mills within reach of the great lakes account for about 75 or 80 per cent of the steel produced in United States. They draw ore preponderantly from the iron ranges of the lake Superior district. The immediate problem is not the exhaustion of these ores, although that too may be expected at some more or less indefinite time. The point is that production of the ores now in use has just about reached its maximum annual rate, and that maintenance of even that rate promises to involve a continued increase in costs. Meanwhile ore requirements continue to rise, not only because of additions to steel capacity but because with a shortage of scrap it is taking more pig iron to make a ton of steel. The problem thus is one of a growing gap between supplies and requirements.

This gap can be filled partly with imported ore from Quebec-Labrador, Venezuela, Liberia and other countries, partly by resort to such low-grade sources of iron as the so-called taconite found in vast quantities in the lake Superior district. It is likely that each of these sources will get some call in any event. But without the seaway, the great inland steel mills can expect to find their ore more costly and their supply position less satisfactory all around.

Obviously enough, the steel mills are going to use the ore that is cheapest to them. At present that is lake Superior ore, broadly speaking. But the delivered prices of these ores have been moving upward for many decades. I have just indicated that an even sharper upward movement is in prospect. This price increase may be limited to the amount that would cover the cost of delivering imported ores to the same markets.

Processes are being developed for concentrating one type of taconite, a low-grade iron formation that exists in large quantities in the lake Superior ranges. But the best hope is that the product would be competitive with natural ore if production could be maintained at full plant capacity. The high overhead of the concentration plants would make them vulnerable to any slackening of demand. Accordingly it appears in like manner that it would take a substantial increase in ore prices to bring a development of this source on the scale required.

The new ore traffic: Completion of the seaway would change this picture completely. Quebec-Labrador ores, after paying any likely toll, would be enabled to compete in most of the lake districts at current prices for ore. The ore deposits occur near the surface over a wide area, readily mined from open pits, and hence low-cost shipments could be made in any volume likely to be required. Accordingly the seaway will give the best possible answer to the ore problem, both in terms of cost and of ready availability.

This invites a sober comparison with the role that has been played by the navigation facilities in the upper lakes. These facilities made available a plentiful supply of iron ore at a low cost, on which were based the great steel centres of today. Now that production of those ores has reached its limit and costs threaten to increase sharply, the new facilities will make available new and expansible supplies at comparatively low cost.

The Quebec-Labrador development already is going ahead. The production goal is 10 million tons a year. Given the seaway, however, the mining interests have already indicated that they would expect to sell 20 million tons a year as soon as production could be raised to that volume. They could expect a further growth of demand in following years.

Canada has a twofold interest in this matter. We are concerned with making the best and greatest use of a rich natural resource. But we are interested in the other side of the coin too, the ore supply problem facing the steel mills. A plentiful supply of iron and steel at comparatively low prices has been taken for granted in our economy. It can be taken for granted no longer. A little thought will show the serious implications of the threatened higher costs in these fields. The seaway promises to avert the worst of this threat. We cannot afford to do without it.

Other benefits: I have referred to transportation economies in other fields as well as iron ore. They may attract less attention but they will be important too. It so happens that they promise to be all the greater because of the new ore movement. It appears that the lake carriers delivering ore from Seven Islands to lake Erie will find it of advantage to proceed to the head of the lakes to pick up cargo for Montreal or beyond, and that for such offerings they could underquote any other vessels that did not have a like advantage in two-way cargoes. This of course means a more economical use of shipping. Moreover, it is expected that the up traffic will outweigh the down, what with the preponderance of iron ore. The difference may not be great, but it should be enough to shift the rate advantage to the downbound cargoes as a result of normal competitive forces.

In this connection it may be of interest to note that ocean-going vessels are not expected to play a major role on the seaway. They may very well enter in some numbers, to be sure. But in the circumstances I have outlined it would appear that an ocean vessel would not enter unless it had an inbound cargo as well as an outbound offering. No doubt there will be those that would have this advantage, but otherwise most of them will find it more attractive to pick up their cargoes at Montreal or some other transfer point.

Is the project necessary from the point of view of defence? From the point of view of national defence, I believe that the development of the St. Lawrence deep waterway is of the greatest urgency. The main contribution perhaps would be in the field just discussed, iron ore supplies. The demand for ore has risen in the present period of preparedness, and would rise sharply again on the outbreak of a major war. The possible

sources are sea-borne imports, taconite concentrates, and seaway shipments from Quebec and Labrador. But sea-borne imports would be highly vulnerable in war. Far from increasing, they would decline or disappear, putting a still greater strain on other sources. This did happen during the late war, when millions of tons had to be shipped from the lake Superior ranges to the east coast. Yet taconite production could not be expanded rapidly unless expensive plants were held idle in reserve. New plants would be so costly in time and materials that it might prove too late to start them after the emergency arose, and hence the war effort would be seriously handicapped. On the other hand, once the initial mining development is complete in Labrador and the seaway is open, it would be little more than a matter of putting additional shovels to work to get all the ore that the steel furnaces could use. Even those mills on the east coast of the United States could draw Labrador ore from lake Erie.

The seaway would make at least four other contributions to defence. Important as they are, I will do no more than mention them now. The project would create a reserve of power in the industrial heart of Canada, to be drawn on in the emergency. The combination of power and navigation will stimulate industrial growth, permitting more of the specialized production required in modern war. The seaway will add flexibility and dispersal to a shipbuilding and ship repair program in a sheltered area in the upper and lower reaches of the great lakes. And it will provide an additional transportation route between the factories and the battlefront.

Will the seaway be vulnerable to attack? In the first place ore carriers and other vessels from the gulf of St. Lawrence to the seaway would be infinitely less vulnerable to submarine attack than on the open sea, where this is the main menace. On the other hand it is true that a determined enemy attack could damage or destroy some of the seaway installations. The same can be said for any one of the existing hydro developments, steam power plants, the locks at Sault Ste. Marie, taconite concentration plants, the ore docks on lake Erie, the steel plants themselves, or the railway lines. But an enemy would find it extremely difficult to knock out all the various alternatives at the same time. Surely, then, the best over-all defence is to increase and disperse the most promising alternatives. Just as surely, the deep waterway and the associated power development qualify for a high priority.

What about the materials and manpower for construction? The same considerations give the answer to this pertinent question, whether the project warrants the use of scarce materials and manpower in today's circumstances. The present period of defence preparation may be short or may be long, but it is precisely in such a period that works should be undertaken to add to our economic strength and efficiency. That is this government's attitude toward resource development and defence-supporting projects generally. Postponing the project would not relieve the pressure on men and materials. It might rather increase it. For without the seaway, other hydro or steam capacity would be required, other transportation facilities, more ore concentration facilities and other works. Moreover, as I have suggested above, a large part of these alternative facilities would be less suitable to the needs of war if it came.

What are the regional benefits of the project? Perhaps I have given enough reason already for saying that this project is of national concern, that it will benefit Canada from coast to coast. That is my own firm conviction. I have been gratified therefore to hear many hon. members from widely separated points give it their support. But I would like to mention some of the direct benefits that I see for each of the ten provinces.

Let me say at once that the main benefits do not promise to fall to the areas of industrial concentration in Ontario and Quebec. The outstanding industrial stimulation promises to be in the ore fields of Newfoundland's Labrador and Quebec's Ungava district. It has been arranged that the men to be employed in Labrador shall be recruited as far as possible in Newfoundland, and indeed the two most obvious benefits in both provinces are the new employment opportunities and the provincial royalty revenues.

Both the power and the navigation facilities provided by the project will be important for a number of industries in Ontario and Quebec, of course, and in some cases there will be obvious benefits on both counts.

Further development of power from the St. Lawrence certainly will serve the expansion of industry. That is its purpose and its justification, for the demand for power is growing rapidly. But that demand is going to grow in any event. It is simply a matter of meeting it in the most economical manner. Whether industrialization comes from this scheme or from another, namely from coal by the development of steam plants, I do not think it would be possible to stop that development. This is particularly true in Ontario, where still more steam plants are the only alternative to an international hydro development in the St. Lawrence. Quebec on

the other hand can develop its St. Lawrence power independently of the seaway project, and has other hydro sites as well that will serve its industrial expansion.

On the navigation side, the benefits will be most important for commodities having high transportation costs relative to their value. The volume of such commodities used or produced in central Canada and likely to be served by the seaway is only a small part of the prospective traffic. Without meaning to belittle the advantages to this area, it must nevertheless be observed that the main benefits will be felt elsewhere.

As a matter of fact it is difficult to go very far in ranking the benefits to the various provinces in order of importance. Rather than argue about which will gain the most, let us look at what concrete opportunities will be opened up for each.

The prairies would find a substantial saving in the cost of moving grain, flour and other products to markets in eastern Canada and overseas. Moreover the seaway would permit large ocean vessels to move into the great lakes to relieve such shortages of shipping as occurred this year. Shortages occur from time to time to hinder the grain movement, for at present the only vessels that can enter the lakes are too small and too few to make much impression.

I have mentioned already Newfoundland's interest in the Labrador development. Beyond this, the four maritime provinces would get a new and low cost transportation route to the heart of the continent. They complain now with some justice that there is no effective water competition to keep down the rail rates. Well, this is it. There can be no doubt but that it would bring new opportunities to explore in pulpwood, wood pulp, paper, lumber, specialty agricultural products, minerals and other products.

Mr. Gillis: Say that a little louder.

Mr. Chevrier: My hon. friend interjects, but I well remember the essence of the debates on the freight rate legislation both in the house and in the committee. It was said that the maritime provinces required a greater opportunity to move their commodities into the markets of central Canada. This will provide a cheaper route than the one which already exists, and I am sure, knowing the maritimers as I do, that with the initiative they possess they will make use of these many advantages.

The seaway would bring British Columbia much closer to the centre of this continent. For example, British Columbia lumber now moves all rail to these markets, but at Montreal it has been delivered cheaper by the all water route through the Panama canal. The possibility of a continued water movement without transshipment holds great promise, for the market to be reached is substantial.

What will be the effect on the railways of Canada? I do not think that the fortunes of the railways nor the economy of the railways would be materially affected by this project. For one thing, almost half the seaway traffic foreseen is in iron ore. That is traffic which does not exist at the moment in so far as the lower St. Lawrence is concerned, and in so far as the railways are concerned it is new traffic. Another large part already uses the water route for a good deal of its movement, and either leaves the lakes to move by United States routes or transships to small canallers. Still another substantial part now moves all the way by water in those canallers. Such traffic as is lost by railways will be largely in items now paying rates among the lowest in the schedule, rates that are low in the areas affected because strong competition from vessel service already exists.

On the other hand a continued industrial development, further stimulated by the project, may be expected to bring new and high class traffic to the railways, including new traffic in the very areas where diversions may occur. Canada has not stopped growing yet, and the coming decade looks as promising as any in the past. We are going to need not only the seaway but a continued expansion of railway facilities as well.

Do we want the United States to participate in the project? This brief review—yes, I still maintain that it is brief because it is a large subject and almost impossible to consider fully in the time at the disposal of any hon. member—has outlined the reasons as I see them why Canada should press forward with the seaway. To me the case from the United States point of view is just as strong or even stronger than that which I have attempted to make for Canada. That is why we would welcome full participation of the United States along the terms of the 1941 agreement. But that agreement, as I stated earlier, after slightly more than ten years still awaits congressional approval. In the face of this uncertainty we are forced to consider how else our objective can be achieved.

The whole project hinges on the development of the international rapids section. Above it Canada could deepen the Welland ship canal, and the improvement of the other canals could be left to the United States to undertake in the normal process

of expansion of water transportation, as has been the case down through the years. Below it the river is wholly within Canada and the necessary works will be Canada's responsibility in any event.

I believe I have shown to the house the benefits to be derived by Canada through the joint development of power and navigation in the seaway. The project is not one of navigation alone nor of power alone. It is jointly one of power and navigation, and to achieve this maximum objective it is obvious that some form of international co-operation is necessary for the successful development of the international rapids section of the river. Without a doubt the final solution is to be found either in the approval of the 1941 agreement with some modifications or in the 1909 treaty between the United States and Canada.

But let me say again that Canada would prefer approval of the great lakes-St. Lawrence basin agreement of 1941 with modifications as already discussed in the United States congress, such as provision for the charging of tolls. That agreement was signed in recognition of the fact that the international section of the St. Lawrence river is a boundary water. It was signed in recognition of the fact that both countries would participate in the benefits and each would have a continuing interest in the success of the project. These considerations are as valid today as they were in 1941. We want these considerations expressed today in terms of that agreement if possible because we want to respect the agreement of 1941. But over and above that we are anxious to get on with the job.

In the event that approval of congress is withheld or action further delayed, this government is prepared to undertake an alternative, namely an all-Canadian seaway, and to endeavour to bring about the development of power in the international rapids section by the province of Ontario and an appropriate United States authority, through the machinery established under the 1909 boundary waters treaty or by whatever other means may be found suitable. Canada could and would add the navigation facilities and complete the other essential parts of the seaway. If the costs not borne by power are covered by tolls on shipping, it is of much less consequence who makes the initial expenditures, and Canada can do any necessary financing.

It is in this context that the resolution before us today and that covering the bill implementing the agreement between Canada and Ontario should be considered. The proposed St. Lawrence seaway authority would have power to act for Canada under whatever arrangements the project does proceed. If the Canada-United States agreement of 1941 is approved, it would be the agency to construct the works assigned to Canada as provided therein. If the project proceeds on any other basis, the authority would undertake the works required to provide the navigation facilities from Montreal to lake Erie, and such other work as might be the responsibility of this government.

On completion of the project the authority would be responsible for the operation, maintenance, and administration of the Canadian navigation works from Montreal to lake Erie, including not only the new works but such existing works as may be entrusted to it. It would be responsible for levying such tolls as would cover its current expenditures and recover its capital expenditures over a period not exceeding fifty years.

What will be the cost to the federal treasury? Ontario and New York already have indicated their willingness to undertake the basic power development in the international rapids section, which it is estimated would cost something over $400 million, and this would be a normal business investment. If Quebec joins with the federal government to develop power in the Lachine section, it will be because that, too, is a good and timely investment. The remaining cost to be borne by Canada on behalf of navigation would not much exceed $250 million, which would provide a 27-foot waterway from Montreal to lake Erie.

This might appear to be a large sum of money, but let us take a look at it from this angle. Already Canada has invested about $300 million in the ship channel below Montreal, the 14-foot canals into lake Ontario, the Welland canal, and the lock at Sault Ste. Marie. Most of those expenditures date back to years when a dollar meant a great deal more than it does today, and when Canada was much poorer in material resources. The Welland ship canal cost $132 million. If the work and material that went into it were priced at today's levels, this figure alone would exceed the estimated cost of the remaining navigation works now contemplated. And whereas the earlier investments have been carried without benefit of tolls, as part of the cost of national development, it is now proposed to liquidate the investment in the seaway by a levy on the traffic served.

In conclusion, let me summarize the government's view in a very few words. We believe that Canada needs the St. Lawrence seaway and power development at the earliest possible date. We believe that it is important

for economic development and urgent for national defence. We believe not merely that it can pay its own way, but that the benefits to both Canada and the United States will far outweigh its original cost.

We would prefer to have full United States participation in the project under the terms of the 1941 agreement, perhaps with some modification along lines already discussed in congress, providing the agreement is approved at an early date. We are now recommending to parliament that, failing such approval, the all-Canadian seaway be undertaken on the most suitable basis that can be established.

Mr. Speaker, when it is realized that more traffic now passes through the locks at Sault Ste. Marie in a season than passes in twelve months through the Panama, Suez, Manchester, and Kiel canals put together, one can get some idea what the opening of this river would mean to the economy of Canada as a whole. The traffic foreseen for the new canals —and for the Welland canal—will also far outrank that on any of these other famous canals. One glance at the map of the world will indicate why it was decided to build the Panama canal, for instance, through the isthmus of Panama, or the Suez canal linking the Mediterranean with the Red sea. One glance at the map will indicate that those were logical things to do; they were inevitable things to do, and they were the right things to do no matter what the cost. On the proposal to construct a deep waterway in the St. Lawrence river to link the great lakes with the Atlantic ocean, the verdict must be the same.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the motions now before the house deal with a subject that has been in the minds of Canadians for a great many years. The review that has been given to the house by the Minister of Transport (Mr. Chevrier) has been a combination of an historical survey of the canal system and the waterways with which they are associated, and also the presentation of what he regards to be the compelling reasons why this project should be proceeded with at this time.

At the outset I can say that the decision to proceed with the waterway not only should be supported in itself, as it has been put forward by the minister, but in combination with the power development with which it is associated it calls for development now—a development that is long overdue. At a time when cheap power available in large quantities is so closely associated not only with national expansion and development but also with defence itself, it seems unreasonable that there should have been as great delay as there has been in the development of these resources.

I should like to speak, however, for a short time about the waterway as distinguished from the power development. In much of the discussion of this subject that has taken place, it seems to me there has been a noticeable tendency to regard the waterway as a new development. Actually the St. Lawrence waterway is part of an integrated waterway system which has been in operation for a great number of years. The facilities through the St. Lawrence and across the Niagara peninsula to lake Erie have been available for more than one hundred years, and the facilities at Sault Ste. Marie have been available only for a slightly shorter time. For many years ships could use those facilities right through to the head of the great lakes and the capacity of the canals to handle shipping was relatively the same throughout that distance. In more recent years the lock facilities at Sault Ste. Marie, particularly on the United States side of the river, have been deepened and widened so the immense ships carrying iron ore and grain can move through that canal system. So also have the locks and other facilities across the Niagara peninsula known as the Welland canal.

The bottleneck now exists at the St. Lawrence river simply because the facilities there have not kept pace with the facilities across the Niagara peninsula, through the St. Clair river and at Sault Ste. Marie. So far as the waterway aspect of the matter is concerned, it seems to me that we are simply called upon to ask ourselves whether we believe that a waterway which was started as one integrated system some one hundred years ago is to continue as an integrated system with similar facilities for the whole 2,000 miles of that waterway.

I agree with what has been said about the desirability of proceeding with that project. So far as the waterway is concerned, I think it is simply a case of following ordinary business methods and of bringing up to the standard—which justified the huge expenditures on the Welland canal, to some considerable extent—the lower canal system which would carry ships still further and make it possible to use ships of a uniform depth and uniform size for a great part of tonnage that would pass through that waterway.

As has been pointed out, however, we are also dealing with power, and we are doing so at a time when it is generally recognized that power should be made available as rapidly as possible from the great sources

that we possess, not only for the immediate purposes of defence but for the immense industrial expansion which is going to take place in this country in the years ahead. To me this is something that challenges the imagination, and that has challenged the imagination of our people for a great many years. It would hardly be expected that I personally could do anything but support these motions in view of the fact that for many years I had occasion to be seeking the fulfilment of that hope while I was in another legislative body. Certainly we wish to proceed with this development; but there are other considerations which must be borne in mind.

The Minister of Transport (Mr. Chevrier) has reviewed the reasons why this development is, in his opinion, so important. He has indicated that it would provide additional opportunities for shipping in the St. Lawrence section of that combined waterway system. He has also pointed out that there are certain immediate reasons why it should be carried out. He has pointed out that a shortage of hydroelectric power is anticipated in Ontario and that this calls for early action. He has also pointed out that there is now available iron ore which was not previously available. With that thought in mind, he has indicated why he thinks this canal system should be developed.

I should like to deal with that particular aspect of this problem because, while the dominion government now states that it is prepared to proceed with this development on its own if the government of the United States is not ready to join in the enterprise, nevertheless I have not been able to find any report which would indicate—nor have I any information which would suggest—that the Canadian government has taken nearly as vigorous steps as it should to seek the approval of the United States for their joint action at the earliest possible date. Certainly, by all means, let us proceed alone if we cannot obtain that consent. But I think there are reasons for their participation that can be put before the government of the United States which should be emphasized with the utmost vigour. I do not think this is something that should be simply presented as a project that Canada wishes to undertake, and in which she hopes the United States will join. I think it is time for us to say to the government of the United States that while we reap great benefits from our association with them, they should recognize, to an extent which they do not seem to be recognizing, the fact that they depend on us to a great extent for many of their raw materials and other requirements in these extremely difficult days. We know that the vital metal nickel is found almost exclusively in Canada. We know that from her forests Canada supplies more than 80 per cent of the newsprint of the United States. We know that the United States fills the bulk of her demand for asbestos from Canada. We know of developments under way which will make Canada a great producer of aluminum for the world, a substantial part of our production going to the United States. Now we are reaching the stage of being a great producer of oil; and arguments are being put forward that oil from western Canada, as well as natural gas, should be used in the United States as well as in Canada. We are also the one assured source of that vital metal uranium in the whole western hemisphere. Now we are told—and we know—that we have in Canada immense, almost limitless, reserves of high-grade iron ore.

The Minister of Transport has indicated quite clearly that he is associating the development of this waterway with the employment of the iron ore from Quebec and Labrador. I am not suggesting for one moment, and I hope that through the contraction of any remarks I may make—and I recognize the necessary contraction—it will not be suggested that I am putting forward any proposition that we should not pool our resources with that great neighbour with which we are so closely associated for the purpose of defence as well as for industrial development. Nevertheless, I think the discovery of iron ore on a scale never previously contemplated opens up new possibilities for this country which we have scarcely yet started to visualize.

There are many precious metals; there are many metals which throughout the long history of the world have been regarded as more precious than others. At a time when freedom, and the defence of freedom, are the most precious things there are for mankind, the most precious metal of all is that which forms the base of our great defence efforts, namely steel. Therefore the discovery of iron, which we should think of in terms of steel, is something that gives a new perspective to our future hopes and our future expectations. During the last hundred years it has been steel which has measured the strength of nations, and to a very substantial degree the prosperity and economic power of nations as well.

At the time of the Napoleonic wars, when Great Britain assumed the leading role in bringing order out of chaos, the population of the British isles was no greater than Canada's population today. The immense increase in population, in industrial strength, in economic power, and their position of financial

leadership which was unchallenged until they exhausted their resources so greatly in two world wars, saw its great development when an Englishman, Henry Bessemer, invented a process for smelting iron ore and producing steel in large quantities at economic prices. It was not iron but steel that built the power of the British isles, and it was steel that gave to the world what was known for so many generations as the Pax Britannica. It was steel that gave to Britain not only population, prosperity and world importance on a scale not hitherto known, but also the naval and military power which played so great a part in the preservation of peace throughout the world. Now with the shifting balances of national strength it is steel that has given the United States its great position of leadership. And that leadership can be measured in the immense tonnage of steel which pours out from the steel mills of the United States. That has depended upon their possession of great ore reserves, the largest being in the Mesabi range. Their reserves are not exhausted. Nevertheless they have made such great demands upon those resources, not only for their own domestic purposes but in the common cause of freedom throughout these years that have passed, that the ore from their remaining reserves is becoming more expensive, and they are looking to other sources for that iron ore.

It has been pointed out by the Minister of Transport this afternoon that the construction of this seaway is, in his mind and I assume in the mind of the government, at this point, closely associated with the demand, and the increasing demand, of the steel mills of the United States for greater quantities of iron ore, for iron ore they can bring to their mills without having to carry it along extended sea routes if we should again at any time face the unhappy possibility of war.

I think it is proper that the minister should have pointed out this aspect of the problem, because all the discussion that has been taking place in public on this subject has emphasized the fact that one of the reasons for the construction of the waterway is that as a defence measure it will make possible the movement of iron ore from these new and vast resources in Quebec and Labrador to the established mills in the inland areas of the United States.

I recognize—as I am sure every hon. member in this house recognizes, and as I think all informed Canadians recognize—that it is important to us to be sure there will be ample steel production in the United States to maintain their great efforts and to provide not only their requirements for new structural steel but also their immense requirements for the weapons and the engines of war for themselves and for other countries less fortunately situated from that point of view. However, while we recognize that need, since Providence has placed at our disposal so much of this vitally precious metal, as we make our plans for supplying iron ore to the mills of the United States we should be laying plans now for the construction of mills in Canada to produce steel on a scale we have never contemplated at any time in the past.

The limits of the development of this country, and the increase in prosperity and employment from the Atlantic to the Pacific, in the years ahead will be measured largely by the extent to which, right now, we plan our course, so that from the maritimes on the east to British Columbia on the west this iron ore will be used not merely as iron ore but for the production of steel in mills planted strategically right across this country.

We have spoken about the need for the decentralization of industry in Canada. This is the time for us to plan the decentralization of great industries in every part of Canada. We have mills on the Atlantic seaboard today. As we plan for the use of our iron ore, let us make sure that those mills now existing in eastern Canada are supplied with iron ore on a scale which will require much greater milling capacity than they have today. And let us recognize that while there are immense advantages in carrying iron ore to the established mills in the central part of Canada, there are equally great advantages in assuring steel supplies at seaports both on the Atlantic and the Pacific, so that we may be shipping steel in the form of steel to our friends and allies in other parts of the world.

We have reason to be proud of Canada's growth and expansion during the first fifty years of this century, but steel will make growth possible on a scale we have hardly imagined, if as we plan the use of these new facilities we recognize that it will be to the extent that we fabricate steel from that iron ore in Canada that we will really measure our growth in the years ahead.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Drew: Mr. Speaker, before the adjournment for dinner I was referring to the importance of steel in the development of this and every other country. I do not propose on

this occasion to go into statistical details of our present consumption of steel and our requirements from the United States because we know that we are short of steel. That is emphasized every day. And while we recognize that we are very short of steel at this time we know also that we have not yet felt the real pressure which is bound to come when substantial efforts are made to produce weapons and equipment of various kinds which are required for our general defence effort.

The steel mills we have already in the maritime provinces, in the central provinces and on the Pacific coast can all be greatly expanded, and new mills can be built. The question is how that can be done. Always the question arises as to whether a development which may appear to be related in some way to the emergency of defence itself is to be carried out by the government or by private enterprise in the usual way. I think we can all look back for a practical suggestion as to the way in which this can be done.

At the beginning of the present century we looked upon our forests as being mainly a source of building lumber, firewood, railroad ties, pit props and other commodities usually made from wood. A great deal of wood was being cut in this country for export to the United States in the form of pulp logs. The time came when some of the provincial governments decided that it would be wise to employ Canadian workmen in processing our raw materials instead of exporting them in the least valuable form and providing extremely profitable employment for the workmen of other countries. I do not recall ever having heard it suggested that in so doing any Canadian province or Canada as a nation was selfish or unfair or in any way acting outside of its rights. Provisions known as manufacturing clauses were introduced into the contracts permitting the cutting of pulp logs. These clauses provided that where wood was being cut in this country it should be processed into manufactured form in Canada except under such arrangements as permitted a mutually satisfactory exchange of skill and effort whereby some of the well-established companies in the United States built mills in Canada to manufacture pulp and paper and in return received a certain supply of cut pulp logs to continue production in their own mills.

Those manufacturing clauses were the beginning of large-scale employment in Canada from our forest resources. Today the largest earner of dollars is the forest products industry, which makes more money than any of the mining enterprises. That has been almost directly related to the insistence that those resources which Providence has placed at our disposal should be used to the advantage of our own people and for the employment of our people at the highest level of skilled workmanship.

This meant new towns and new cities right across the country. I have seen them, and most hon. members have seen them. I do not think there is anything more thrilling than to watch the emergence from the virgin forest of some of these beautiful communities based upon no other enterprise than the employment of our forest resources to their highest level of production right here in Canada.

I cannot recall the United States having raised any objection at any time either by formal presentation to the Canadian government or in any other way. I cannot recall a time when it was ever suggested that there was anything improper in this course. If it was sound for us to raise ourselves from the position of wood choppers for the workers of the United States, it is equally sound for us to say that we shall not limit ourselves to the digging of the iron ore, that we shall give to workers here in Canada, and workers yet unborn, employment on a scale we have never even contemplated, through the use of these new resources now available to us.

I should think it would be very proper and wise that we should have manufacturing clauses in these contracts under which iron ore is exported from Canada. Then we would see great steel mills in the maritime provinces taking advantage of their seaports to ship steel and steel products to the ports of the world which in turn would distribute those products to the nations which need steel so much today. I can visualize great trade from Vancouver and the other great ports of the Pacific coast when in due course we once again return to a somewhat normal measure of trade with the oriental countries to the west. I can visualize immense traffic bringing its return of business of every kind to our shores. Along with that I can see the expanding production of industry of all kinds in the central provinces, and in the prairie provinces where this great waterway we have been discussing would give special advantages.

I have said that I believe steel is the most precious metal of all, but let us not for a moment forget the other things we have, copper, lead, zinc, the new metal titanium which can do such remarkable things, nickel, gold, silver and, as I mentioned before, uranium. These are only some of the metals we possess. These are

the great metals. Then we have our forests, and now we have oil in such abundance that people are beginning to wonder if this is not possibly the greatest oil deposit in the world.

The fact is that people living in Canada today have everything with which to build the firm foundation of a productive country which would sustain in great prosperity a population many times that which we now possess. There are those who are inclined to remind us that we have great mountains, vast tundras and the rock belt in the north. We have. The rock belt, the mountains and even the tundras all have their value, and all have demonstrated that they contain great wealth. In this enormous country, the third largest in the world, exceeded in size only by Russia with 200 million people and China with 450 million, we have 14 million people. Yet there are those who use that ugly word "optimum" and say that the optimum population of Canada is somewhere in the neighbourhood of 20 million. That is statistical nonsense. Even today we can feed 100 million people with what we are able to produce from our soil, and we could exceed that number greatly if with a larger population more intense agricultural methods became profitable and were employed. With all these metals, with our timber and our oil, there is not the slightest question in the world that Canadians of future generations will be very foolish if they start talking about any optimum until the population of this country has exceeded 100 million people.

When I say that I am not suggesting that we are going to have 100 million people in Canada tomorrow, a year from now or five years from now; nor am I suggesting that we are suddenly going to move great populations to Canada to build up to that number. History shows how quickly populations increase when conditions provide the basis for a larger population. All we need to decide is that there is going to be a larger population and that we can support it with advantage to the people of every part of our country. I cannot help calling attention to an editorial which I found in *Le Canada* of Montreal under today's date, in which that newspaper takes exception to somewhat similar comments I made in Vancouver last Friday. The suggestion is that in making the statement that Canada's population can reach 100 million people with advantage to all of us I am suggesting that we suddenly start a flood of immigration which will build up to that extremely large number of people. I mention that only for the reason that the editorial seeks to convey an impression which was never contained in anything I said. I regret that a newspaper carrying the name *Le Canada* should suggest that in making a statement of that kind I was making a statement I would not be equally ready to make in any part of the province of Quebec as well as in any other part of Canada.

I would have thought that a newspaper with the name *Le Canada* would be proud to claim that Canada can grow, and that on the basis of that very ore which is now found in such vast quantities in the soil of Quebec that province, together with the other Canadian provinces, will expand its population and prosperity. I simply repeat what I said on the earlier occasion, that in mentioning a figure of that kind I am merely saying we need not worry about when that figure will be reached as long as we are confident we can support a population of that size, and then make our plans accordingly. The plans to which I was referring were plans to expand our own production by the best possible use of our resources, and that is what I am suggesting again tonight.

Once again I want to emphasize the vital role that iron and steel play. No oil would be found without steel. No copper, zinc or aluminum would be produced without steel. None of the great synthetics that we are producing today would be produced without steel. It is the basis of modern industrial expansion. That being so, of all the resources we possess I suggest it should be the declared policy to make sure we will use that raw material to the very best advantage of all Canadians when it is actually brought out from the soil.

I believe there are reasons why the people in some parts of Canada other than the central and prairie provinces can see some direct advantages from this waterway. Perhaps those advantages are more apparent to them than to the people of the east and west coasts, who view with some concern the possibility of a still greater concentration of industrial development and other activities which will be associated with this great enterprise. I suggest there are reasons for that concern.

The speech from the throne mentioned that we would be dealing with this subject. It referred also, for example, to the South Saskatchewan power and irrigation project, about which the government is still waiting for the advice of a committee, although for years competent engineers have reported that the South Saskatchewan project could be proceeded with to the advantage of our people. We know, too, that highly competent engineers have been reporting for years that there are developments in the maritime provinces which could be carried forward

with great advantage to those provinces as well as to the rest of Canada. For years we have heard of the possibility of using coal in Cape Breton, not only for ordinary industrial activities but also for the production of low cost electricity. We know of the Passamaquoddy project; we know of the developments that have been proposed in the lower St. Lawrence. We know of the desire of Prince Edward Island for some industries associated with defence activities, and of the training activities being carried on in that cradle of our confederation. We know also of the immense possibilities of new developments in northern Manitoba, Saskatchewan, Alberta and throughout the great coastal and northern areas of British Columbia. I believe some of the concern that has already been expressed might well be removed if there were a broad declaration that we propose to develop all those resources for the advantage of our own people, and that we propose to follow whatever legitimate course we may to assure that it will be Canadian workmen from the Atlantic to the Pacific who will be employed in the fabrication of the things that are made from our raw materials.

We come back to the question of whether this is to be a joint effort in association with the United States. The Minister of Transport (Mr. Chevrier) correctly interpreted the sentiment that has been widely expressed that this new waterway will carry at low cost to the steel mills on the great lakes the ore which is required there. At the same time we are discussing the possibility that Canada alone will build this waterway. May I suggest, Mr. Speaker, that if the United States does not think this waterway is important for defence, I do not know why we should tell them we are going to build it for them. I believe it is important. It is important for the development of our resources and for the expansion of business in this country. But surely if it is as important as all that the United States would recognize that importance. If we are convinced that it is so important for defence, I should think that in the discussions with the United States the whole subject of the exchange of raw materials should be considered upon that basis. We should point out that if they do not believe the waterway is sufficiently important for defence, then we are going to use that waterway for Canadian mills at Hamilton, at the Sault and other points on the upper lakes as well as in the maritime provinces, for the employment of our own people. I believe we have a right to do that. We have a duty to our own people to do it.

I would hope, however, that we shall not find ourselves in a position where it becomes necessary to say that if the United States does not regard this as important from the point of view of defence, we must of course build up our own defence production as quickly as possible with our own raw materials. I hope the United States congress will decide that this is not only an advantage from their point of view, but will realize also that it would be one of the finest gestures in a troubled world if it were shown that two nations could develop an international waterway under terms of this kind. There is no other place in the world of which I know where there is any similar development. At a time when we are all thinking of peace and hoping for peace, this would be a great demonstration of what two nations, confident in the possibilities of peace, were prepared to do for their own future. I hope it can be approached on that basis, and I hope it will actually work out on that basis. I am not suggesting that we should, in any selfish expression of any kind, threaten United States by saying, "You do this or else".

I do suggest, however, that as Canadians, concerned first of all with the welfare of Canada, we point out to them that it is Canadian workmen and the growth of Canada with which we are concerned. Whatever we do in co-operation with them is, nevertheless, always done with that first thought in our minds. I hope the United States, which at all times has built its strength on the acceptance of the principle that its first duty was to the people of the United States, will recognize our legitimate aspirations and join us in this great peaceful expression of mutual confidence. If that is done, then I think we may find this waterway will become the key to Canada's new era. For centuries and more alchemists have been trying to convert base metal to gold. By the alchemy of good will a great joint effort of this kind could convert our vast iron resources to produce the gold that is found in the productive work of men profitably employed. If, with that vision, our government places before the United States the proposal that will emerge from this resolution and from the legislative steps which follow, then I think this may well be the beginning of Canada's golden age based upon the use of iron.

I should like also to go back into legend and recall the fact that the thousand islands section of the St. Lawrence waterway which we are now discussing carried the Indian name of Manatoana, which means "garden of the great spirit". I hope, Mr. Speaker, it will

be the garden of the great spirit of friendly co-operation between nations which will shine as an example to the whole world.

Mr. M. J. Coldwell (Rosetown-Biggar): Not since 1941, Mr. Speaker, have we had before us a definite proposal for the building of this great waterway. I agree with the leader of the opposition (Mr. Drew) that the building of this waterway is perhaps, in a sense, the beginning of an era of new development in Canada the like of which we have not known as yet. I join with him in hoping that the rich resources of the northland and the great iron ore deposits in Labrador and in the province of Quebec may be used not to build great industries in the country of our great and good neighbour to the south, but may be used more and more to build great industries and give productive opportunities to the young men and women of our own country. In saying that I am not indulging, I hope, in any narrow nationalism. I think it would be a great pity if these vast resources that are now being developed were in part, we will say, shipped down the Atlantic coast of the United States to New Haven, New London, Connecticut, or some port on the United States coast line, passing the great coal fields of Nova Scotia, and were used rather to belittle our own resources of coal and so on in the maritime provinces and build up industries in another land. In the same way I think it would be regrettable if the ore passing up this great seaway were used mainly to expand the great iron and steel industry along the shores of lake Erie and at Port Huron, Cleveland, Buffalo and so on and were not used to build up industry in our own country.

I join with the leader of the opposition (Mr. Drew), the Minister of Transport (Mr. Chevrier) and others in the house in the hope that this may not occur. But I want to say to the government that I do not quite know how our objective is to be achieved if we have no regulation of that industry, or if we allow the matter to be determined purely by the profit motive and by free enterprise. Hon. members have heard me recount this incident before; but when early in the war steel plate was needed on the Pacific coast, and when the late hon. member for Vancouver-Burrard, Mr. McGeer, the present Minister of Fisheries (Mr. Mayhew), the present Senator Reid and others of us on the committee dealing with war expenditures urged that, instead of building up industry in one part of Canada or in one or two spots, the great deposits of iron and coal lying in close proximity to each other on Vancouver island should be used to build up a steel industry on the Pacific coast, I remember how we were told categorically that such a procedure would not be permitted. We were told that the expansion was to be undertaken at Algoma, at Hamilton and where the steel industry was then located. In other words, we said at that time that the steel industry expansion was going to be in certain parts of Canada. If the government, as they may well have to, give any concessions in the building of this greatly expanded steel industry, whether it be under public or private enterprise, I would hope that the placing of industry in various other parts of Canada than those where that industry now exists will be undertaken; and that, if it is done by government support for established industry—free enterprise, if you like—we will say to them: We expect you to place some of your industries elsewhere than where they are to be found at the present time, or to expand in regions where there is at present both coal and iron, as in the maritime provinces.

But this is a great project. I suppose we think of it largely as a transportation problem, and that is the manner in which the leader of the opposition discussed it this evening. We think a great deal of the moving of ore from the province of Quebec, from Labrador, up the St. Lawrence river to the mills located along the great lakes. But to those of us who come from the prairie provinces there is another reason why we are interested in this project. We are convinced that when the channels now forming what the Minister of Transport calls a bottleneck have been deepened, and when ocean-going vessels can go right through to the ports on the great lakes, the products of the prairies will move more easily and at lower transportation costs. If ships bring iron ore up the St. Lawrence through the great lakes it is quite conceivable that some of those ships might at least carry grain down the great lakes, even if the cargo has to be transshipped at Montreal or one of the ocean ports. Consequently those of us who are looking at this matter from a prairie point of view hope, and indeed believe, that the expenditure which is to be made to deepen this channel in order to give our products access to the sea in ocean-going ships from the inland ports will be beneficial to the producers of the great plains.

While I indeed appreciate the remarks made by the leader of the opposition in relation to the value of this being a joint project between ourselves and the United States, may I say that I would not be at all worried if we had to undertake it by ourselves. As a joint project you have two nations exercising control over it. We might find that such joint

control would lead to some awkward situations in the future, and that one or other of the two nations might find it beneficial to both that one nation, and not the two nations together, should undertake this great project.

Do not misunderstand me, Mr. Speaker. I am not suggesting that, if the opportunity arises for this to be a joint undertaking, it should not be undertaken as such. It would relieve Canada of a vast expenditure of money if it were a joint undertaking. What I am saying is that there are some reasons why the undertaking of this project by Canada alone might be of benefit not only to Canada but to the two countries, since it would remove the possibility of misunderstanding and perhaps dispute in the days to come. Consequently I think that side of the picture should be considered.

But whether this is a joint undertaking or not, it is going to have a tremendous effect, not only in the field of transportation but in many other ways, upon the future of a large part of this country. When we think of what this project will mean along the shores of the great lakes—the building of additional port facilities, the enlargement of the port facilities we now have in order to accommodate larger, ocean-going vessels and so on—it opens up vistas of expansion which may well beggar description and which we perhaps cannot adequately and properly conceive at the present time.

The proposed St. Lawrence seaway project is, of course, a dual purpose plan. I think we must keep that fact in mind. It combines both navigation and power projects. I am not going to say much about the power project side of this because a great deal will be said on it in this house in the near future, and possibly in this debate. One of the features of this project is that it is not a navigation project alone but a great power project as well.

I have not had time to study the agreement that was tabled in the house yesterday, between the province of Ontario and the federal government, with regard to power development in this region. I am happy indeed to know that an agreement has been reached between the two governments.

As a navigation project of course it is one of the great projects in the history of the world. It means that there will be a 2,500-mile channel 27 feet or more in depth joining the Atlantic ocean with the chain of great lakes, permitting ocean-going vessels to ply backward and forward from the very heart of this continent to all the ports of Europe and the world. What a remarkable project it is in that respect. To appreciate the significance of this we have to understand the role the St. Lawrence river has already played in the history and the development of Canada. Years ago it provided the only great route from the Atlantic ocean to the interior of the North American continent, and the impact this great route has had upon the history and the development of Canada and the United States is indeed almost incalculable. Its potentialities have undergone continual development until the present, when most of its length is navigable to deep draft vessels from the mouth of the St. Lawrence to Montreal. I remember when I was a boy at school I was taught that Montreal was the seaport, as it were, farthest away from the ocean; and it seemed almost inconceivable, until I first rode up that great river now over forty years ago, that a seaport could be situated a thousand miles from the open sea.

At the present time there is no obstacle to navigation which will prevent a ship with a draft of some 35 feet, I think the minister said this afternoon, reaching that great inland city and port of Montreal. From Prescott to lake Erie we have spent a tremendous amount of money as a nation in order to deepen and make navigable the canals in that region. It is already to a depth of 25 feet, and downbound ships with drafts of 21 feet can navigate from lake Erie right through to the narrower and shallower channels near Prescott. Therefore the main section to be improved, as the minister said this afternoon, is the 115 miles from Montreal to Prescott, where navigation is seriously limited owing to the 14-foot depth that exists between those two points. He well called that this afternoon the bottleneck of this great inland waterway.

I believe we have already spent something over $300 million on the St. Lawrence in providing a 35-foot channel to Montreal, a 14-foot canal system from Montreal to lake Ontario, and a 25-foot channel from lake Ontario to lake Erie; and then of course the locks at the Sault. I hope all hon. members at one time or another have seen these remarkable projects; the Welland canal, the great locks that let ships in and out of lake Ontario, and the great locks along the Sault in the province of Ontario. And so it seems to me that having done this much, it is logical that an attempt should be made now to complete this project.

There are two projects, as the leader of the opposition said a short time ago, in which many of us are interested, and they both involve rivers: this great project, the seaway, and the great project of the South Saskatchewan, so there will be more produce to be exported along this waterway to the sea. It seems to me that the two things are related,

because they both deal with the possibilities of not only an expanded economy but an expanded policy, and all that an expanded policy brings in its train in a country of this kind.

As I said earlier, one of the chief enticements to the support of this project is that we believed there would be a reduction in the cost of transportation between the lower St. Lawrence and the great lakes. I do not intend to go into the whole route; the minister went into that this afternoon, but I intend to say something more than I have said about it. We have already completed a large section of it, and it seems to me we should now make up our minds that this is to be completed, whether we do it in co-operation with our great friendly neighbour to the south or whether we are compelled to go it alone.

I am not much impressed with the argument that this is a defence project. I hope that before this is completed the situation in the world will be somewhat different, that we shall have achieved a larger amount of peace among the nations and not have to regard this as a defence project. Indeed as a defence project, if was came, it might offer an inducement as a very interesting target to an aggressor nation who could deliver either guided missiles or atom bombs by planes. One atomic bomb dropped at the Sault could tie up lake shipping over the whole route. As I say, I do not regard this as a defence project but as an economic project, which will be useful to Canada in the years and probably the centuries to come.

I repeat, I am not going into all the details; but I think I might refer to some of them. In one way or another the leader of the opposition and the Minister of Transport (Mr. Chevrier) have already referred to them. I might refer to the tremendous quantities not only of iron ore but of wheat and of other produce that I believe can be shipped over this route at lower costs, which should urge us to consider it in all its aspects. I know there will be criticism of this project, and there should be criticism because some of us are looking at it very largely from the point of view of the areas from which we come. The prairie area, which was my home for many years, always looked to the day when Fort William and Port Arthur would be ocean ports from which we might ship our wheat and our other produce without undue freight costs, without transshipment at Port McNicoll or Port Colborne or Prescott or Buffalo or other points. I am thinking of wheat now, of course, but there is other produce. We should be able to ship it from coast to coast without the necessity of moving our produce from one type of lake ship to an ocean-going vessel. Therefore I say this project should be carefully examined by every hon. member. Those of us who come from regions where we think this would be beneficial should listen to those who come from regions where the people think it may be harmful to them.

In the main, my personal belief is that if undertaken and completed, this project will open up a new era of progress and prosperity for many parts of this great country.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, when this project was mentioned some time ago I said the Social Credit group would support it. We still support it. I have liked generally the attitude of the government in going forward with this development. Canada is sufficiently grown up now that she does not need to have the co-operation of any neighbours in the building of a great project of this kind. She has so intimated, and so stated. She is going forward to build this project, which I believe is the right thing to do.

I always like to get along with my neighbours just as well as I possibly can. But I have always had the idea that I get along better with them if we do not go together in some project such as the building of a shed or something like that. And I think we would get along better with this project if it were all our own. In that respect I think the government can see quite readily the position we will take, so far as Canada going ahead with this project herself is concerned.

I am not sure just what the impact of this project will be immediately or ultimately upon the other provinces. But there is one thing I hope Ontario and Quebec will learn very soon, and that is that if they use a project of this kind greatly to increase their industrial strength and their strength of population, and consequently their voting strength; if they use the power they get from that added strength to seek to impose their will upon the other provinces to the detriment of those provinces, they are courting trouble. They are going to injure the other provinces, and thereby injure Canada. Therefore I hope the governments of Ontario and Quebec will do some good, earnest, serious thinking while this project is being built, and that they will take steps to see that the results of this project will be felt to the benefit of all provinces in Canada.

There are provinces that are worried about what this project will do to their economies. I would be in favour of giving those provinces the positive assurance that no injury will be done them, and that if there is any

injury it will be made good in one way or another. I have in mind particularly the maritime provinces. My opinion is that Canada has treated the maritime provinces scandalously ever since they entered confederation. Many people act as though they do not care. "What difference does it make? They have not enough votes to bother us, anyway. Why bother about them?" Then, of course, when those people go down to the maritimes they talk nicely and get the people in the maritime provinces to vote Liberal or Conservative all the time, one or the other. And they are just as badly off when they vote for one as when they vote for the other. They go on suffering, from generation to generation. That has been the record. No Conservative administration can point to any more advantage given to the maritime provinces than any Liberal administration has given. And no Liberal administration can point with pride to its record of treatment of the maritimes. If anyone thinks he can point to any such administration, then I will listen to him when he rises to speak. Whatever is done we must keep in mind the maritime provinces. We must remember that those provinces should be given the opportunity of growing into the great and happy areas the Creator intended they should be, and that they should not be trailing in the wake of federal policy in this nation, greatly to their disadvantage, as has been their unhappy experience in the past.

This project is one of the most serious, from the standpoint of the maritime provinces. I sympathize deeply with them when I cast my eye over past records. If I were a maritimer I would be greatly worried about this project until I was given positive assurance that my area was not going to suffer. The minister's admirable speech this afternoon sounded all right for the maritime provinces. If it only works out that way no one will object. I think there is not much more to say in that connection, so far as we Albertans are concerned. We have not had the opportunity to study the project deeply enough to see all the possible pitfalls, but in a general way it would appear to be a good thing for Canada. It is going to be a good thing for Ontario and Quebec. Ultimately what is good for Ontario and Quebec is going to be good for the rest of Canada, if Ontario and Quebec use the common sense they ought to use. We certainly will pray that statesmen will arise in those two provinces who will realize their responsibilities in the future as their men have never realized them in the past.

The power aspect of the project is a great consideration. It is important that we have adequate power for Ontario and Quebec, and it is very important that we should have no neighbour in a position to meddle in our affairs when we endeavour to use the power which will be derived from that project. That is another reason I would like to see us have the thing all to ourselves. I would want Canada to be generous with her neighbours in permitting the use of the development both in respect of travel and the use of power. But I want to be in the position that they realize that whatever they do is only with our consent.

I repeat that Alberta and the Social Credit movement will support this great project.

Mr. Robert Cauchon (Beauharnois): Mr. Speaker, as political economy depends upon the observation and study of both physical and human factors, it is of great interest to see how the peoples of nations react to the programs proposed to and imposed upon them. This enables us to judge a national policy not only by the intention which motivates it but also by its results. For instance, policies resulting in such services as railways and social security measures have always drawn heavily upon public finances, but who would criticize those undertakings for that reason? Would Canadians today say that the building of our transcontinental railways was ill advised?

Again, it has been often shown that increased production and work efficacy are means of improving the conditions of the workers. That being true, the prosperity of a country will be augmented by increasing the efficiency of human labour both by mechanization and more particularly by utilization of our potential electrical power. Only thus will our standard of living be improved, especially that of the workers who constitute the most important part of our population, for they produce what Canadians consume and export to maintain our foreign trade.

Quite apart from the substantial improvements through intelligent application of more efficient work methods and consequent increased production, an essential to prosperity is the investment of new capital. Such an opportunity for sound investment is afforded by the proposed plan to develop the St. Lawrence seaway. Can there be a more profitable investment for a nation than the development of the St. Lawrence, which is both a national and international asset? In fact, no greater opportunity for the successful development of commerce and of electrical power has ever been offered to mankind. The advantages cannot be regarded as of local importance only, because they give all Canada the opportunity of expanding her world trade by meeting competition through cheaper transportation.

The government which has suggested that our nation undertake the construction of this waterway, alone if need be, is now in a position to know the advantages to be derived from it. From the findings of numerous joint commissions which have been set up from time to time to study and report on the feasibility and need of the waterway it has been able to weigh the advantages and the costs. Ever since Dollier de Casson built a one and a half foot canal at Lachine in 1700, attempts have been made to use the great east and west waterway in the interests of both Canada and the United States. Together in 1905 these countries set up a joint standing national waterways commission which in turn led to the boundary waters treaty, effective in 1910. From that time matters pertaining to our international waters were under the jurisdiction of the international joint commission. This commission obtained reports from an engineering board, and held hearings in five of our provinces and several of those states most intimately concerned. Its report to the government—a report entirely favourable—recommended further study of the subject. This was in 1921.

Acting on the commission's recommendations further study was undertaken, which showed unanimity of opinion as to the economic value of the proposed waterway. But in 1924 fuller examination by six engineers, constituting an international joint board of engineers, resulted in a conference between Canada and Ontario, because the international section lies in that province. Again a favourable report was submitted.

The treaty drawn up by Canada and the United States as a result of these findings provided, among other terms, for a combined power and navigation project in the international section. There would be, according to its provisions, 2,200,000 horsepower to be divided equally between the two countries, and a 27-foot waterway from lake Superior to Montreal. The treaty, being defeated in the United States Senate in 1934, was never ratified.

But in 1940, because our war effort drew heavily on our supply of electrical power, the Canadian government proposed to the United States that conversations be held regarding the development of power on the St. Lawrence. As a result concessions were made which permitted Ontario to develop at Niagara 70,000 horsepower. Moreover, committees were set up to investigate development of the international rapids section. The government, after having received the reports of these committees, signed the great lakes-St. Lawrence agreement. As in 1934, under the St. Lawrence waterway treaty, it provided for a 27-foot waterway to Montreal, and for the development of 2,200,000 horsepower.

In reading the recommendations and reports submitted one is impressed by the fact that all these commissions were in favour of the undertaking. But history shows that opposition has always been encountered when a new project is under consideration. Such opposition may spring from lack of foresight, as in 1840 when, at the instance of the Michigan legislature, a bill was introduced in congress for a grant of land to aid in building the first canal at the Sault. Even Henry Clay argued against it and said that this region was beyond the reach of the remotest settlement. Today that statement would be ridiculous.

Opponents to the present scheme base their objections on:

(a) The shortage of the navigation season.

(b) The loss of trade that might be suffered by existing facilities.

(c) The cost of construction.

(d) The traffic's not justifying the cost.

(e) Cost of maintenance.

In answer to those who fear that the shortness of the navigation season, averaging 215 days in Montreal and 237 days at the Welland canal, would make the scheme unprofitable I would point to the commerce on the Baltic sea. The tonnage is very heavy, but so organized that it can be carried during the open season. Understandingly there is in some quarters fear that the undertaking will militate against existing facilities. The experience of Liverpool, which strongly opposed the construction of the Manchester ship canal, is an indication of what happens under such circumstances. Both ports prosper.

In carrying out the present plan of construction, alone if necessary, I am convinced that the enormous sum involved will in the near future be proved insignificant when set against the development of resources, the expansion of trade and the investment of new capital attracted by reserves of low cost, available power and cheap transportation. The attraction exercised by such facilities is well exemplified by the aluminum industry in the Saguenay area of Quebec and at Kemano, B.C. The big advantage of such development is that the deepening of a channel to aid navigation is at the same time providing power for an area almost entirely dependent on white coal.

Let us next look at the benefits resulting from the improvements at the Sault. These

paid for themselves five times over in the 1918 season alone. The saving that year in freight was $180 million but the cost had been only $32 million. It is impossible to reckon in advance the increase in traffic as a result of improved water transportation, as a study of the Panama and Suez canals clearly indicates. Improved transportation facilities create the demand for such facilities.

A study of the distribution of population proves that minerals, timber and other national resources if not accessible are of little value. The richest agricultural land is worth, depending entirely on transportation facilities, anywhere from a few dollars to several hundred dollars an acre. Transportation is the greatest creator and stabilizer of wealth. Moreover, in order to carry the traffic that will inevitably follow the steady growth of our country it is absolutely necessary to provide some other kind of transportation than is now available.

The need of better and cheaper transportation facilities is urgent and of interest to the entire country. With more power available, industry will expand and this expansion will demand the fullest employment of both water and rail transportation to meet the needs of those industries. Engineers assure us that conditions in the St. Lawrence are excellent for the maintenance of a navigable channel. Sediment is largely settled in the great lakes and the hard rock of the river assures a permanent bed. If the Suez canal with its high cost of maintenance has proved a profitable venture why should the St. Lawrence waterway, where physical conditions are more favourable and maintenance costs therefore much less, not prove profitable?

We must remember that the opening of the great lakes channel to the sea, thereby giving that area in effect a seacoast, is also as economically sound as a waterpower project is economically sound. The water supply is constant and adequate, a factor important both to power and navigation. The harnessing of hydroelectric power is of particular urgency to those provinces which have no coal and little or no oil or natural gas. I do not need to elaborate on the position of the province of Ontario in this respect. But I do believe that it is a duty of the federal government to make available to the provinces from the waters under its control a reserve of power upon which they can draw when and as required to enable them to make full use of their natural wealth.

Power and navigation have been and are closely associated in considering the St. Lawrence waterway, for power will be sold and traffic on our inland waters will be multiplied and accelerated. As intimated previously, in the province of Ontario there are municipalities today seriously handicapped by lack of power. The project under consideration would alleviate this acute shortage. We are indeed failing to fulfil our obligations if we neglect to make possible a power project vital to so large a section of our population. Certainly the provinces of Ontario and Quebec understand the value of water-borne traffic and cheap power. Toronto alone saved many millions of dollars. I might also point to the growth of Arvida and Beauharnois. It is not necessary to speak at length of Cornwall's hopes for the future, as revealed in a recent issue of *Saturday Night*. I know its interests are in good hands.

Having watched since 1932 the growth of different municipalities in my own riding, I am in a position to know what the development of hydro power can do for a region. Several new industries have been attracted to Beauharnois, which has, as a result, nearly doubled in population. The same remarkable growth is apparent in Melocheville and St. Timothée. Valleyfield too has witnessed a large industrial development. Moreover, all these municipalities have a most promising future. Harnessing of the hydroelectric resources after the St. Lawrence seaway project is completed will produce a further industrial expansion.

What commodities will be affected by better and cheaper transportation to and from the great lakes area? Traffic in iron ore and petroleum is likely to be much heavier, in addition to the ever-increasing tonnages of grain and coal. Under present conditions tankers carry approximately 3,000 tons of gasoline and grain and coal carriers have a capacity of 2,500 to 3,000 tons. We are told that the St. Lawrence is to handle many millions of tons more, but because additional locks can be built its capacity is almost limitless. Savings in transportation cost on meats and lards, timber, automobiles and agricultural machinery, and the ores and coal necessary to their manufacture, would be passed on ultimately to the consumer.

Now let us consider what this project will mean to the western grain producers. Up to the time of my election to the House of Commons I knew relatively little about wheat. I now share an office with the hon. member for Yorkton (Mr. Stewart). Strange as it may seem, my heretofore neglected education in this respect is in the process of being completed. I may say he makes it a continuing process. A saving of several cents per bushel on grain moving eastward by the proposed all water route has been estimated.

Mr. Louis Sabin, general superintendent of the St. Mary's fall canal, in giving evidence before the international joint commission in 1921 drew attention to the saving in distance and time effected by the use of the St. Lawrence all-water route compared to the Erie canal and Oswego-Mohawk route, 16 days and 15 hours against 19 days and 13 hours, and 4,148 miles as against 4,641.

The cost of sending grain by the all-water route to Montreal is 12½ cents per bushel, by water and rail 25·2 cents and by rail 28·2 cents. These figures were obtained from the bureau of statistics. More grain could be shipped by the cheapest method if steamers of sufficient draft could load at the lakehead for eastern Canadian ports and the Atlantic. By thus removing the necessity of reloading, with its heavy costs in time and labour, loss by unrecoverable wastage from grain erosion could also be eliminated. This wastage, as estimated conservatively by an experienced elevator superintendent, is appreciable, as much as 30 pounds in each 1,000. It follows, therefore, that the benefits derived from lower transportation costs on grain alone would justify the required expenditure. Such reduction in transportation costs to foreign markets tends to increase the farmer's return on his entire crop. It is axiomatic that in a surplus producing country the farmer's price is largely determined by his return on the surplus.

Before making the momentous decision the government has considered all the arguments in favour of and against the project. I am firmly convinced that after the debate on this subject is concluded it will be clear to all hon. members of the house that the St. Lawrence waterway should be undertaken by Canada, and undertaken now. Mr. Speaker, coming generations will remember with gratitude the government which had the vision to invest in Canada's future.

Mr. Clarence Gillis (Cape Breton South): I am sure, Mr. Speaker, that it must be dull for you to have to sit there listening to the same story all night. In order that this may not look as if it were unanimous or prearranged, and for the sake of variety, I am going to take the other side of the argument. I agree with the Minister of Transport (Mr. Chevrier) that this is perhaps the most important statement he ever made in this house. I view the action now proposed by the government in the light that it is going to have the most serious repercussions upon the economy of this country of any action that has ever been taken, that is if the government mean what they have said.

On another occasion I took the stand that I am going to take tonight, perhaps more briefly, and at that time I was told the policy I was advocating was my policy. I want to assure you that so far as I am concerned I represent people in this House of Commons, people who marked an X on a ballot and sent me here. They have a right to expect me to do the things they want done. I want to make that quite clear. Perhaps the province of Nova Scotia is the only province in Canada that has a policy on this particular question. I listened to the leader of the opposition (Mr. Drew), and he made a fine oration. My impression is that when I have said that, I have said it all. I listened to the minister, and I believe he did a good job with a bad case. To a large extent both hon. members were expressing their own opinions or the opinions of their party.

So there would be no misunderstanding about the attitude I am taking, I checked with my people during the past months. In so far as the Nova Scotia section of the C.C.F. is concerned, they have a policy on this particular matter. On November 2 and 3 I attended a convention of the party and listened to this matter discussed by about one hundred delegates. While they modified their stand, which was unalterable opposition, that section of the C.C.F. movement now takes the position that they will go along with this proposal provided the government considers it as an investment program that will mean equality of development in all sections of the country. I shall go into that in more detail later.

I was not satisfied with merely obtaining the opinion of the political party I happen to represent in this house—although they have a definite policy on the matter—and I checked with the united mine workers. Thirteen thousand coal miners, the major portion of them in the province of Nova Scotia, discussed this matter at their last convention held in Truro in August of this year. The convention instructed the executive board to go back and study the matter. There was to be no guess work about it, no ifs, ands and buts. They studied the matter from a practical standpoint through their research department, and they have a good research department. This union wrote the Prime Minister (Mr. St. Laurent), and I imagine all hon. members received a copy, setting out their considered opinion of the navigational portion of this project. They believe that the navigational part of the project is a threat to their means of livelihood. This memorandum issued by the union is dated October 16, and contains seven reasons for the union's belief that the navigational portion of this development would interfere with their

means of livelihood. I am not going to put it on the record because the Minister of Transport likely has a copy.

Mr. Blackmore: Why does the hon. member not put it on the record?

Mr. Gillis: I believe the members of the house received copies of it, at least I have spoken to many people who did. I know it was sent to the Prime Minister.

Mr. Blackmore: Why not let the readers of *Hansard* know about it? The people in British Columbia and Alberta know nothing about it.

Mr. Gillis: If the hon. member for Lethbridge (Mr. Blackmore) wants this information on the record, I am quite prepared to read it. If he wants it put on the record without me reading it, I am satisfied with that.

Mr. Blackmore: I am anxious that everyone should read it.

The Acting Speaker (Mr. Beaudoin): Order. Is it the pleasure of the house to have the document put on *Hansard*?

Some hon. Members: Agreed.

Mr. Gillis: The memorandum reads as follows:

United Mine Workers of America
District 26
P.O. Box 110—Glace Bay, Nova Scotia

October 16, 1951

Dear Sirs and Brothers:

At the last convention of district 26, United Mine Workers of America, a resolution was presented protesting the construction of the St. Lawrence seaway and power project. The delegates, at that convention, voted unanimously to refer said resolution back to the district executive board for further study and comment.

After a thorough review of the St. Lawrence seaway and power development project, your district executive board is of the opinion that this project, created with or without the help of the United States, will have a most adverse effect on the economy of the maritime provinces particularly in the realm of steel and coal. This opinion is based on the following facts:

1. That the construction of this project will tend to create a further concentration of industry in the central provinces of Quebec and Ontario. This will come about in two ways. First any new industry that is contemplated will be lured to the central provinces by the promise of cheap hydro electric power and cheap water transport and secondly existing industry in the maritimes would be induced to move to the central provinces to take advantage of these two facts.

2. That markets for maritime coal in Ontario and Quebec would be seriously jeopardized in the resulting change over from steam to hydro electric power.

3. The further concentration of industry in Ontario and Quebec would seriously curtail railway traffic in the maritimes thus reducing an important local market for maritime coal.

4. The construction of the seaway could conceivably create a dumping market in central Canada for United States and overseas coal.

5. The huge deposits of iron ore in Labrador would be enabled to reach the central markets very cheaply thus curtailing the expansion of the steel industry in the maritime provinces.

6. There is the possibility of an ever-increasing flow of oil transported by ships under registry of other nations, delivering petroleum products into the heart of the Canadian industrial region to displace maritime mined coal.

7. The taxpayers in the maritime provinces would be obliged to pay their just share of this project thus helping to expedite the process of committing industrial suicide in the maritime provinces.

Your district executive board therefore takes the stand that we are unalterably opposed to the construction of the St. Lawrence seaway and power project because of the dire effects which the project will have on our economy in the maritime provinces.

Fraternally yours,

On behalf of the District Executive Board
Freeman Jenkins, President.
Stephen Dolhanty, Acting Secretary-Treasurer.

This document represents the opinion of 13,000 mine workers living in New Brunswick and Nova Scotia. As I said before, there are no ifs, ands and buts. Through the research department they have studied the project and set forth seven very definite reasons for thinking it will militate against them. Before I conclude I may summarize those reasons.

I have another document from one of the local organizations of the mine workers, and local 4529 of the united mine workers is unalterably opposed to the scheme. There are 1,600 members of that local, and they are concerned about this. Another section in Pictou county, local 8672 of the united mine workers, forwards a resolution to the same effect. The development of the navigation project will militate against them in marketing their coal in central Canada, particularly in Montreal. From another local union of the mineworkers I have a lengthy letter; it is from the secretary of the mechanics' local. I may say there are about 800 members in this local union. They are machinists and mechanics who are employed in the coal industry. They are unalterably opposed to this project. I want to emphasize again that this is not guesswork. These people have studied this matter. I want to clear up the point that in my opposition to this seaway project I am stating my own policy. I have never spoken in this house on any subject without being certain of what people thought about it. I figure it is my job to do that. The mine workers as an organized body have studied this question over the years. On a previous occasion I said in this house that twenty-six years ago I wrote a resolution

opposing this particular project. There is therefore no guesswork about the matter on the part of that mine workers' union.

The Minister of Transport worked extremely hard this evening, in my opinion, and he did a good job for the average person who will read *Hansard* and also for the average person in this house who has never studied this problem. But as far as I am concerned I want to say that he did not offer one new argument tonight, or one that I had not heard many years ago; and I was not impressed. I am not questioning his honesty. He is the last man in the world whose honesty I would question. I should like to be on his side; I hate to oppose him. But in this particular instance he just proved this to me. First, he proved that the resolution we are discussing to set up an authority is merely window dressing for the resolution that is still on the order paper and that is to make provision for the development of the power project for the province of Ontario. It will be noted that the resolution on the order paper does not say anything about developing power in the province of Quebec. It is a straight Ontario-federal government agreement for the development of power in this province. I believe the resolution we are now discussing—and we are discussing it first—is merely window dressing for the purpose of putting through that agreement to develop that power in the province of Ontario.

In support of what I have just said, I am reminded of a statement made by the Secretary of State for External Affairs (Mr. Pearson) to the press in September. In a press interview he stated that the seaway might be delayed for three years because they had run into some political snags. In my opinion the political snags they ran into were in the province of Quebec. If Quebec is reluctant to go ahead with this project at the present time, in my opinion the judgment of those in that province who may be doubtful of it is absolutely correct.

I am not objecting to this project, nor are the people in the maritime provinces to whom I have talked and who have submitted documents to me objecting to it, because of the good it will do to any other part of the country. We are not objecting to it on that ground. If Ontario needs power and the federal government wants to develop that power, we are not objecting because some benefit is going to accrue to this province. But we are objecting to the whole project, the power project and the navigation channel because of the injury it is going to do to the part of the country from which I come. That is why we are objecting to it, and we are objecting to it on legitimate grounds.

We are objecting to it first on the ground that it will militate against the coal mining industry in Nova Scotia. That industry at the present time is threatened from three different directions. First, it has the competition of oil. Second, it is now threatened by a pipeline development to bring natural gas from the province of Alberta into Montreal and Quebec city, the main market for Nova Scotia coal. In addition, if this channel is opened up it means that the Americans have a straight, cheap water route into that main Montreal market where about half the total production of Nova Scotia is marketed at the present time. Today we cannot compete in that Montreal market, even with our water route, without substantial subsidies from the federal government. We are assisted in that market now despite the fact that the Americans have a rail route in there and we have a water route. Despite that fact we still cannot compete. If the development visualized by the leader of the opposition (Mr. Drew), by the leader of this group and by the hon. member for Beauharnois (Mr. Cauchon) takes place, it means that we are going to provide a water route into that market, with the result that whatever market we have left is going to be pushed away from the Nova Scotia product. I want to point out seriously to the members of this house that the coal industry is the basic industry of Nova Scotia. If it is crippled it means that province goes down with it. That is what we fear, and we have legitimate fears unless we have reasonable guarantees from the government that what we anticipate is not going to take place. But in this world of free enterprise, competition, and get what you can for yourself, the logical thing to happen is that the Americans will be able to undersell us in that market.

Mr. Blackmore: Will the hon. member permit a question before he goes into another aspect of the matter?

Mr. Gillis: Yes.

Mr. Blackmore: Has he given some thought to the nature of the guarantees that he feels should be given?

Mr. Gillis: Yes.

Mr. Blackmore: Would he care to mention those guarantees now, or does he propose to do so later on?

Mr. Gillis: In summing up I will mention the guarantees. I have in my hand a file containing representations from some influential bodies; for example, from the city of Sydney, where the basic steel industry on that coast is located. The committee for industrial expansion in Nova Scotia, headed

by the Nova Scotia federation of labour, presented a brief to the cabinet of Nova Scotia on April 20 of this year, urging the provincial government to get in touch with the federal government for the purpose of expanding the basic steel industry in Sydney, Nova Scotia, the logical place for them to expand. They see the threat to the coal industry. They realize that there is maybe a necessary shift in their basic industry, and that it should be based on steel, in view of the threat of natural gas and oil competition and so forth from other sources. I am sure the province of Nova Scotia must have got in touch with the Minister of Trade and Commerce and must have brought to the attention of the department all the facts and figures on steel expansion in that area. I am not going to go into it, but I have reams of it. We calculated that there would be some steel expansion on that coast. I am afraid that the navigation end of this project is designed to do just the reverse; and I do not say that idly, because I hold in my hand a clipping of a speech made by the Minister of Trade and Commerce (Mr. Howe), who generally knows what he is talking about. It was made in the United States, and in urging this project he did not leave any doubt in anyone's mind as to why he was anxious about it. An extract from that speech reads as follows:

> The St. Lawrence seaway must be built. Without it the steel industry now on the great lakes would have to migrate to the Atlantic coast.

That would be an awful thing. But that is his reason for it, and all of the arguments advanced this afternoon by the minister merely confirm my opinion on that point. He pointed out the great iron ore deposits in Ungava and Labrador. The leader of the opposition (Mr. Drew) stressed the future of this country, and rightly so, based on steel. He said that was basic to our whole economy and our whole defence effort. That is true, but there was no suggestion from the government that any expansion at all should occur where it naturally should take place, where the Lord placed the iron ore, or as close to that spot as could be utilized. There was no suggestion of that at all. While the leader of the opposition made a reference to the necessity of some such program, at the same time he backs the channel that prevents it. I say that with some assurance, because the minister convinced me of that all through his speech today. According to him there were the two musts: First of all power is necessary. I am not doubting that. Perhaps it is. But if it is necessary, that is because of too great concentration of industry in Ontario. That is the reason for it. Making the iron ore available was said to be a must. To whom are we making the iron ore available?

Mr. Drew: I do not want to interrupt the hon. member, but I would not want the record to leave the impression, which I think his words unintentionally conveyed, that I had merely made a passing reference to the possibility of steel being produced in the maritimes. On the contrary, I said positively that it should be and that there were great advantages in seeing that it was done there; that I thought at a time when we were planning to create facilities for moving the ore elsewhere we should by contractual arrangements assure the increased production of steel in the maritime provinces as well.

Mr. Gillis: I listened to the leader of the opposition very carefully tonight. I agree that he did make those suggestions, but he did not suggest for one minute that he was going to oppose the navigation channel which would prevent the hopes he had expressed from coming to fruition. That is the point I am making.

I am a Canadian, and I believe in developing Canadian resources for Canadians. I do not believe there should be any doubt in anybody's mind about that. Let us have a look at who is going to use this iron ore if that navigation channel is deepened. First of all, who owns that ore at the present time? Have the Canadian government or the Newfoundland government any control over that iron ore? I say they have not. That iron ore has been leased for the next ten years by the Newfoundland government and the Quebec government. A franchise was passed in this house permitting the development of railroad lines up through northern Quebec, the development of hotels and bus lines and all that kind of thing for the next ten years. The Americans have the franchise to operate the iron ore deposits in Ungava. Someone will say they are leased to the Hollinger Exploration Company. That is correct, but that is a front company in Canada for United States interests. Actually the people who control it, through their financing, are the M. A. Hanna Company of the United States. That is number one. They have the franchise now. Well, we are not satisfied to give them a franchise to exploit that ore for the next ten years. We are now going to dig the channel all by ourselves to make it more available to them. That certainly does not mean the development of any steel on the Atlantic seaboard as far as I am concerned, and I like to be fair to the minister and I try to be charitable in my thinking. I am convinced, and the people whom I represent

here—and I have gone to the trouble to provoke their thoughts and get them to restudy this matter in the light of 1951 conditions—are convinced that the channel end of that development ends any possible chance of expansion on the Atlantic seaboard. The Americans own it; we are going to go it alone in order to make it more available to them.

This afternoon when the minister was talking he said it was going to benefit every section of Canada. It was like Santa Claus's bag; there was something for everybody. I listened to him very carefully and hopefully when he was making his statement to see what was in that stocking for the maritime provinces. He started at Newfoundland, and rightly so. He said Newfoundland will get a great stimulus in employment. The Newfoundlander is going to be permitted to go underground, to dig the iron ore and to ship it up the Canadian-paid-for channel to the steel mills at Duluth or somewhere along the lakes to be fabricated and what have you by United States interests. That is something for him to look forward to. He is going to be the hewer of wood and the drawer of water. He is getting a lot out of that. Well, I will say this to the credit of the present Newfoundland premier. He at least has said that he is going to develop a basic steel industry in Newfoundland. He is going to do it with European capital. It is on paper yet. I hope it is not a dream. I hope he will do that, but it means he is going to have a lot of opposition. He is running into some pretty big stuff when he bucks the North American steel interests. He has said he is going to do it, so the Newfoundlander at least has this to look forward to. There may be a chance of him getting out from underground, from lifting heavy iron ore, into a steel plant that the premier of Newfoundland is going to establish.

Mr. Stick: But not from Labrador ore.

Mr. Gillis: The minister promised that the Newfoundlander will have more work, but that product which means so much to the future of the world is going to be taken up to the head of the lakes further to concentrate the steel industry and perpetuate it there for all time. Then he came to Quebec. There are potential power possibilities there, but I think Quebec is hesitating at this time. I believe Quebec expected, when they gave the franchise to the Hollinger Exploration Company, being the M. A. Hanna Company of the United States, a great development in the north country. There was no talk about a seaway at that time. I think they are smart enough to see now that we are not going to get all these railroads built and these bus lines and hotels and all that made available in northern Quebec. They are just going to develop the mines in there, take the ore down to the coast and drag that iron up past Montreal, by-passing it altogether, and take all the wealth that belongs to northern Quebec or Ungava and Labrador and centralize it in the United States. If I were in Quebec I would be doing a lot of thinking about that project, despite the advice of the hon. member for Beauharnois (Mr. Cauchon).

So much for Quebec. There was something in the stocking for the prairies, of course. I have been in this house for approximately twelve years, Mr. Speaker. I have listened to that grain debate two or three times every year, and I have not yet once heard any complaint in the house that there has been a lack of ships. The great complaint was about box cars: "The grain is lying out; we need box cars from the C.P.R. We want the transport commission to see that we get box cars." But there did not seem to be any shortage of ships.

I hope those who anticipate that this project may do something to stimulate the movement of wheat from the prairies will not be misled. I would say this also, that if that is true, then we wasted a lot of money in developing the port of Churchill. I was led to believe that was the logical and natural outlet for western grain, that it was the closest point to Europe. But that has all gone by the board. The arguments I heard in favour of Churchill were perhaps no more valid than the ones we were hearing in favour of this seaway, so far as doing something to help in the shipment of wheat is concerned. It is just an "if" and a "but" and a hope; there is nothing concrete.

There is before the house now a motion to get more box cars. One hon. member actually proposed that we should nationalize the C.P.R. in order to get more box cars to move wheat; but I have never heard any talk about any shortage of ships.

I hope that if this goes through they realize their hope, because it is only a hope. There is nothing concrete to support any contention that this project is going to benefit anybody or anything, except the power project in Ontario. British Columbia—

Mr. Green: He was pretty weak on that one.

Mr. Gillis: They just got the go-by. When the project is fully developed British Columbia will be away back in behind the mountains, pushed farther and farther toward the Pacific coast. So British Columbia had better line up with me, and give a little opposition to this.

I suggest again to the minister that he pay some attention to the maritime provinces. Over the years the Halifax *Chronicle-Herald* has done a good research job on practically every project affecting the maritimes. I hold in my hand some up to date editorials from that newspaper concerning this project. One of them, dated May 7, 1951, bears the caption "It Gets Beyond My Understanding." I am sure no one will accuse the editorial staff of the Halifax *Chronicle-Herald* of being just oppositionists or wild-eyed radicals or straight maritimers. They have always taken a pretty broad view of everything. I am not going to read these editorials, but their contention is this: Where would the materials come from? Provided the authority the minister is setting up were instructed to go ahead and to develop this power project in Ontario, provided it was told to get busy and put the seaway through, where would that body go to find the materials and the labour and all those things necessary for such a project?

The editorial is very thoughtful on that point. These are practical things. It is all right to be a visionary and to give long orations. I could do that, too, if I wanted to. But when we get down to concrete cases and have to find the men, the materials and the steel, it is a different matter. And as an hon. member points out to me there is also the matter of finding the concrete. Where is all this to be found? These are practical questions. This is not pie in the sky. A report on the great lakes-St. Lawrence deep waterways issued in June of 1949 sets out some pretty definite figures on this question. The Halifax *Chronicle-Herald*, again in its own practical way, directs our thoughts along other lines, that of shipbuilding. In years gone by the maritime provinces were looked upon as the logical place for shipbuilding, and shipbuilding was recognized as one of their industries. Even if this channel were built the maritimes would continue to be the logical place for shipbuilding. But that is not to continue. This afternoon the minister elaborated upon how the building of this project would stimulate the shipbuilding industry, and said that ships would be built at inland ports. No mention was made of any place east of Montreal. It was all going to be concentrated along the great lakes. Of course I do not blame the minister for that, because it is pretty generally recognized in Ottawa that Canada ends at Montreal. Survey beyond that? Oh, no one ever thinks about doing that. The minister's remarks this afternoon with respect to shipbuilding simply reflected the attitude of the ivory tower, the Ottawa approach: Canada ends at Montreal.

The Minister of Trade and Commerce (Mr. Howe)—and, poor fellow, he is getting a beating these days—

Mr. Green: He is in trouble.

Mr. Gillis: According to this editorial from the Halifax *Chronicle-Herald* of December 3—and this is right up to date—he was selling the St. Lawrence seaway in central Canada, on the ground that that is where the shipbuilding would be concentrated. Well, I am glad they are going to have water this time. The last time they built ships at inland ports they had to carry them by sections on box cars or flat cars to find the water in which to float them. At least they are a little more up to date this time. It appears that the shipbuilding will be done at the inland ports, and the minister confirmed that this afternoon.

On motion of Mr. Gillis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will proceed with business in the following order: First, debate on the address; second, the two resolutions concerning the St. Lawrence seaway; third, the resolution concerning the amendment to the Dominion Elections Act, and then, fourth, we will try to pass the resolution to amend the Civil Service Act.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Wednesday, December 5, 1951

The house met at 2.30 p.m.

THE PRIME MINISTER

CONGRATULATIONS ON TENTH ANNIVERSARY OF ENTRY INTO PARLIAMENT

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to avail myself of the privilege, which is afforded at this time, of congratulating the Prime Minister (Mr. St. Laurent) on the tenth anniversary of his entry into the House of Commons. Each one of those of us who believe in our particular form of democratic government shares the hope that men who have attained success in their own particular field of activity, whatever it may be, will show the same willingness to serve the public that has been shown by the Prime Minister of Canada. It was to serve his country that he gave up the comfortable security of his own home and, may I add, the assured income of a leader of the bar. Those who do not belong to his own party will, I am sure, pay tribute to the spirit of public service which prompted his entry into this house just as much as those who are associated with him in his own party.

I am particularly pleased that we are afforded the opportunity to pay him our respects in this way, because I am inclined to think that never was there a time when it was so desirable that the thought be impressed upon the mind of every Canadian, particularly young Canadians, that the vigour and surviving strength of our democratic system depends on the willingness of those who are able to do their own job well to enter the parliament of Canada and give the advantage of their experience to the deliberations of this house. Whether it may be in public or in private life, I trust and I am confident that the Prime Minister will at all times have in his heart a feeling of satisfaction in knowing that, whatever our political opinions may be, we all respect him for the public service he has rendered.

Mr. Angus MacInnis (Vancouver East): This group would like to associate itself, Mr. Speaker, with what the leader of the opposition (Mr. Drew) has said concerning the service of the Prime Minister (Mr. St. Laurent) to his country and this parliament. It is not often that we find ourselves in such complete agreement with the leader of the opposition as we do on this occasion. Speaking for myself, I can say that I have particularly enjoyed—I think that is the word I should use—the almost unfailing courtesy of the Prime Minister in dealing with the matters that come up in this house. I say "almost" because there are perhaps moments that would try the temper of any person; but he seldom allows himself the pleasure of replying in kind. I think that those of us who have been here for some time all appreciate the parliamentary courtesies that he has shown us. I want to wish him success and long life to carry on the duties that he has taken up at a critical time in Canada's history.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am sure that we all appreciate this opportunity of joining in an expression of good will and congratulations to the Prime Minister. After ten years in parliament one can truthfully say that he has certainly maintained and retained a sense of fairness and a sense of balance. One often wonders just how he has been able to keep his sense of proportion in view of all the things with which he has to contend. I know that sometimes we are inclined to try to rub the Prime Minister a little bit in order to get a certain reaction from him. I think that is only natural because he is so delightful when he is rubbed. I personally have always felt that it is worth while to bring out the little bits of Irish in him. If we do so occasionally, it is only because we love him. I think that it is a sincere statement on the part of anyone who cares to speak in this house, when he says that we all greatly appreciate the fine qualities of the Prime Minister. We all join in telling him this. If we have a little bit of fun once in a while out of his reactions, it is certainly only because of—

An hon. Member: The savage in us.

Mr. Low: Yes, the savage in us. We just want to show him how much we appreciate him. I join with the others who have spoken in wishing him a good many years more of happiness and of service to this country. We are not unmindful of the sacrifices that our Prime Minister has made and is making.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it is not easy to find words to express adequately my appreciation

of what has been said here this afternoon and, over and above that, my appreciation of the sentiments that have prompted the kind remarks that you have just heard. They are compensation for whatever one can do in the attempt to be of service to his fellow citizens and to carry out his part in this undertaking in which we are all engaged, namely that of making our democracy effective and worth while for all Canadian citizens. I appreciate, even more than the expressions that were used this afternoon, the constant friendship that I have felt from every member of this house during a period of almost ten years now that it has been my privilege to sit here. I think the leader of the opposition has uttered a truth that we ourselves should not forget and that we should not allow our fellow citizens to forget, namely that each one of us who feels that this system of social organization is the best that human ingenuity has been able to devise for the administration of the common interests of free men and women in organized society must also feel that each one of us should be at the disposal of his fellow citizens for any responsibility they wish at any time to entrust him with. I am sure that this is as true of every other member of this House of Commons as I hope it is of me: our real compensation for any public service we perform is the satisfaction of knowing that we are doing something for the maintenance of that system for our own generation and for the generations that will follow us in this country which has such a glorious future before it.

PENSION ACT

PRIVILEGE, MR. LAPOINTE—REFERENCE TO REMARKS IN DEBATE ON NOVEMBER 30

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, on a question of privilege, I should like to clarify certain information which I gave to the house on Friday last during the discussion of Bill No. 27, to amend the Pension Act, in the committee stage. The hon. member for Vancouver-Quadra (Mr. Green) asked if those veterans who had the right to treatment because they were receiving the unemployability supplement might not lose the right because the supplement was being replaced by an increase in the pension. My reply might have indicated that such veterans' treatment rights would be unchanged.

On further considering the question and reply in *Hansard*, I find that my answer might be construed as going beyond what I intended. I had in mind then what had been decided in regard to a certain group of those who received the unemployability supplement, namely those who had formerly been on war veterans allowance. It is certainly the intention that these veterans, though they went off war veterans allowance to receive the unemployability supplement and may now not be eligible for war veterans allowance by reason of the increase in pensions, will still be eligible for treatment.

It is intended to protect the eligibility for treatment of veterans in this group by a revision of the regulation which provides for free treatment for pensioners and veterans with service in a theatre of actual war who are unable to pay for the cost of their treatment. I believe it is done at the present time under regulation 5A. As hon. members know, an income ceiling is set in this regulation, and the veteran with an income below the ceiling is eligible for treatment. The ceiling was previously set so that the 100 per cent pensioner who had no other financial resources would be eligible. It will now be necessary to adjust the income ceiling to provide that this principle will apply when the new rates of pension are in effect after January 1.

In other words, those eligible for free treatment before the unemployability supplement was brought into effect will still be eligible for it after it has lapsed and in spite of the pension increases.

COMMITTEES OF THE HOUSE

RADIO BROADCASTING—SECOND REPORT

Second report of special committee on radio broadcasting.—Mr. Robinson.

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT

Mr. L. Philippe Picard (Bellechasse) presented the first report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

RADIO BROADCASTING—PUBLIC ACCOUNTS—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Knowles be substituted for that of Mr. Coldwell on the special committee on radio broadcasting.

That the name of Mr. Argue be substituted for that of Mr. Thatcher on the standing committee on public accounts.

That the name of Mr. Noseworthy be substituted for that of Mr. Stewart (Winnipeg North) on the standing committee on public accounts.

Motion agreed to.

QUESTIONS

REMEMBRANCE DAY CEREMONIES, QUEBEC—INSTRUCTIONS

Mr. LaCroix:

1. Did the acting army commander of the eastern Quebec area issue special instructions for the Remembrance day ceremonies at Quebec in English only?

2. If so, for what reason?

Mr. Blanchette:

1 and 2. Orders in the Quebec area are regularly issued in French and English, but the Remembrance day ceremonies at Quebec, like those in many centres in Canada, are arranged for primarily by the Canadian Legion and the instructions to members of the armed forces participating conformed to those of the Canadian Legion and were in English. Care will be taken to see that such special instructions will, like the regular orders, be in future issued in French and English.

CAMP SHILO, MAN.—HOCKEY

Mr. Dinsdale:

1. Have the military authorities at camp Shilo hired a hockey coach? If so, at what salary?
2. Are the military authorities at camp Shilo offering financial inducements to hockey players?
3. If so, what is the nature of employment or services offered such hockey players?

Mr. Blanchette:

1, 2 and 3. The military authorities, that is, components of the Canadian armed forces, at camp Shilo have neither hired a hockey coach nor offered financial inducements to hockey players. It is understood, however, that the garrison recreation committee, an organization representing officers and men and their dependents, has engaged the services of a coach and pays the expenses of individual players out of non-public funds raised through the activities of the committee.

DEPARTMENT OF LABOUR—OFFICES IN EDMUNDSTON, N.B.

Mr. Dube:

1. How many offices are occupied by the Department of Labour in Edmundston, New Brunswick?
2. Are such offices the property of the dominion government or are they rented?
3. If rented on lease, from whom are they rented?
4. What is the annual rental?
5. Does the said rental include heat, light and janitor services?
6. If so, what part of such rental is allowed for janitor service?

Mr. Fournier (Hull):

1. One office at 39 Canada road occupied by the unemployment insurance commission.

2. Rented.

3. From D. J. Long, Clair, Madawaska Co., N.B.

4. $5,584.95.

5. Rental includes heating, but not lighting, cleaning or janitor services.

6. Answered by No. 5.

SMUGGLING OF CIGARETTES

Mr. Coyle:

1. How many prosecutions have been launched in Canada from April 1, 1951, to date, for smuggling cigarettes into Canada?
2. How many convictions were registered for the same period?
3. What was the total number of cigarettes seized from April 1, 1951, to date, for violations of the customs regulations?

Mr. McCann:

1. Prosecutions are recorded on completion and the number of such prosecutions completed between April 1, 1951, and October 31, 1951, was 306.

2. Number of convictions—301.

3. Number of cigarettes seized between April 1, 1951, and November 30, 1951, was 8,434,963.

S.S. "AORANGI"—PASSENGER AND FREIGHT SERVICE UNDER SUBSIDY ARRANGEMENT—REPLACEMENT ASSISTANCE

Mr. Laing:

1. (a) How many passengers; (b) what tonnage of freight, have been carried on each trip of R.M.S. *Aorangi* since renewal of service under the present subsidy arrangement nine months ago?
2. Is any consideration being given to assisting the replacement of this vessel by a fast combination passenger and reefer ship of Canadian registry capable of quick turnarounds?

Mr. Benidickson:

1. (a) 517, 591, 639, 502, 552. (b) 1434, 1327, 2033, 2229, 1474.

2. No.

CANADIAN PACIFIC AIR LINES—1952 PACIFIC RUN

Mr. Laing:

1. What points will be served by Canadian Pacific Air Lines upon inauguration of their Pacific run in 1952?
2. Have arrangements been completed to land at Auckland, New Zealand?

Mr. Benidickson:

1. Canadian Pacific Air Lines are operating two international routes in the Pacific. It is not expected that any new routes will be inaugurated in 1952 although it is hoped to add New Zealand as a point of call on the southern route.

2. No.

VANCOUVER INTERNATIONAL AIRPORT—DAILY AVERAGE OPERATIONS

Mr. Laing:

1. What is the daily average for last six months operation of (a) passengers carried; (b) weight of airmail; (c) freight transport, at Vancouver international airport?
2. How many public carriers and how many contract companies used the facilities of this airport?
3. How many people are employed in the combined services at this airport?

Mr. Benidickson:

Complete answer to the question asked by the hon. member cannot be supplied since

Questions

Vancouver international airport is operated by the city of Vancouver and not by the federal government; information would therefore have to be obtained from the municipal authorities. However, partial information can be supplied from federal sources as follows:

1. While the daily average of all air traffic over the last six months is not available, during the month of March 1951 the daily average of scheduled traffic was 823 passengers, 5,663 lbs. of mail, 3,550 lbs. of express and of other cargo.

2. Ten domestic commercial air carriers and two foreign commercial air carriers are licensed to operate into or from Vancouver international airport. No information is available as to the number of additional commercial carriers which use the airport on an itinerant basis or the number of private companies or private persons basing aircraft there or using the airport.

3. Ninety employees of the air service branch of the Department of Transport are located at Vancouver international airport including telecommunication, meteorological and air traffic control service.

IMMIGRATION—ENTRIES THROUGH PRAIRIE PORTS

Mr. Ross (Souris):

How many people entered Canada from the United States of America through each of the ports of entry along Manitoba, Saskatchewan and Alberta boundaries, during the year 1950?

Mr. Harris (Grey-Bruce):

Total admissions from the United States through the border ports of entry in Manitoba, Saskatchewan and Alberta, during the year 1950:

Manitoba	
Boissevain	22,498
Cartwright	13,226
Coulter	21,949
Crystal City	19,936
Emerson	276,402
Goodlands	15,780
Gretna	104,519
Haskett	31,270
Lena	30,181
Lyleton	9,415
Middlebro	20,399
Piney	16,352
Snowflake	10,713
South Junction	12,276
Sprague	2,893
Windygates	13,659
Total	621,468
Saskatchewan	
Big Beaver	10,311
East Poplar River	8,398
Elmore	18,962
Estevan	29,454
Marienthal	10,637
Monchy	11,518
Northgate	54,754
North Portal	183,040
Oungre	13,560
Regway	23,541
Treelon	7,774
West Poplar River	7,614
Willow Creek	4,053
Total	383,616
Alberta	
Aden	1,841
Carway	61,260
Chief Mountain	76,157
Coutts	548,742
Del Bonita	14,865
Waterton Lakes	41
Wild Horse	4,009
Total	706,915

NOTE: The above figures include immigrants, returned residents and tourists.

VANCOUVER POSTAL SERVICE—LETTER CARRIERS

Mr. MacInnis:

1. How many letter carriers are employed in the Vancouver postal district?
2. How many letter carriers in this district have resigned (a) during the calendar year 1950; (b) during the first ten months of 1951?
3. How many letter carriers have been brought into the postal service in the said district during the two above-mentioned periods?
4. What is the (a) starting salary for letter carriers; (b) the maximum salary?
5. How many years does it take to reach the maximum?
6. What are the daily; (b) weekly, working hours for letter carriers?
7. How many hours of overtime were worked by letter carriers in the Vancouver postal district during the calendar year 1950?
8. How is overtime worked compensated?

Mr. Langlois (Gaspe):

This report only covers the Vancouver city postal area.

1. 433.
2. (a) 14; (b) 44.
3. (a) 38; (b) 49.
4. (a) $1,920; (b) $2,628.
5. 6 years.
6. (a) 8 hours; (b) 44 hours.
7. Not immediately available. Would require some research to obtain information.
8. By time off, or cash remuneration at *pro rata* rates.

INQUIRY FOR RETURNS

NATIONAL DEFENCE—FRENCH-CANADIAN OFFICERS—SERVICES COLLEGES, ETC.

Mr. Leon Balcer (Three Rivers): On Wednesday, October 31, I put seven questions on the order paper and they were passed as orders for returns, but I have not yet received a single answer. I wonder whether the Minister of National Defence, or his parliamentary assistant, can let me know at what time I may expect an answer?

Hon. Brooke Claxton (Minister of National Defence): I will have to look into that.

MOTIONS FOR PAPERS

INTERNATIONAL SERVICE, C.B.C.—BROADCASTS TO SOVIET RUSSIA AND CZECHOSLOVAKIA

Mr. Hodgson:

For a copy of the English translations of all broadcasts of the international service of the Canadian Broadcasting Corporation transmitted to Soviet Russia and Czechoslovakia.

He said: You may have it taken off, if you wish.

Mr. Speaker: Dropped.

MR. R. G. PEERS

Mr. Hodgson:

For a copy of all correspondence exchanged between Mr. R. G. Peers and the government of Canada or any department or agency thereof since January 1, 1946.

Mr. McIlraith: Before the motion is put I wonder whether the hon. member would consent to its standing over until Monday?

Mr. Hodgson: That is fine.

Mr. Speaker: Motion stands.

TRANS-CANADA HIGHWAY—CONSTRUCTION IN NOVA SCOTIA

Mr. Black (Cumberland):

For a copy of all correspondence, telegrams and other documents, in the possession of any department of the federal government dated January 1, 1949, to November 30, 1951, relating to the construction of the trans-Canada highway in the province of Nova Scotia.

Mr. Winters: There is no objection to this correspondence being tabled, Mr. Speaker, subject to the reservation that we shall have to seek permission from the government of Nova Scotia with respect to their part in it.

Mr. Speaker: Motion agreed to, subject to the reservation of the minister.

Inquiries of the Ministry

CIVIL SERVICE

DECEMBER 24 AND 31—QUESTION AS TO HOLIDAY

On the orders of the day:

Mr. J. T. Richard (Ottawa East): I should like to direct a question to the Secretary of State, of which I have given him notice. Will he make a statement as to the granting of a full day holiday to civil servants on the eve of Christmas and New Year?

Hon. F. G. Bradley (Secretary of State): I thank the hon. member for giving me notice of his question. The position is that Monday, December 24, and Monday, December 31, 1951, will be observed as civil service holidays, subject to the discretion of the deputy heads of the departments making such arrangements for skeleton staffs as may be required. The whole of both of these days will be counted as overtime for such employees of the Post Office Department as are unable to take either day off.

AIR TRANSPORT

REGULATIONS REGARDING PASSENGERS IN OPERATIONS COMPARTMENT, ETC.

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Transport. Has the Department of Transport changed its regulations recently in regard to not allowing Trans-Canada Air Lines and other commercial air lines to carry passengers on flight decks, that is, the operations compartment of the planes, except qualified personnel and transport officers?

Hon. Lionel Chevrier (Minister of Transport): I wonder whether the hon. member would allow his question to stand as a notice so that I can get the information and give it to him?

Mr. Fraser: Yes. I should like to address a question to the parliamentary assistant of the Minister of Trade and Commerce, under whose department Trans-Canada Air Lines are administered. Will the parliamentary assistant make a statement as to why passengers have been sold tickets in the operations compartment of Trans-Canada Air Lines planes, and also why pilots have been suspended for obeying the Department of Transport regulations and safety measures?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I have had no notice of the question.

Mr. Fraser: I did not think it needed any.

Mr. McIlraith: I regret I am not able to answer it at the moment. If the facts in the

statement part of the question are true I of course will see that an answer is brought forward as quickly as possible.

Mr. Fraser: The facts are according to the press.

Mr. Speaker: Order.

Mr. Fraser: And I believe they are correct.

Mr. Speaker: Order.

CIGARETTES

AUTOMATIC VENDING MACHINES—PURCHASES BY MINORS

On the orders of the day:

Mr. John Hunter (Parkdale): I should like to direct a question to the Minister of Justice. What legislation, if any, is the Department of Justice contemplating to prevent persons under sixteen years of age from buying cigarettes from automatic vending machines?

Hon. Stuart S. Garson (Minister of Justice): This is the type of question in reference to which I am very glad that my hon. friend gave me notice. We are not contemplating any change in the law because we are of the opinion that the law as it stands at the present time is sufficient for the purpose. It is contained in section 2 of the tobacco restraint act or, more fully "an act to restrain the use of tobacco by young persons". This section reads in part as follows:

> 2. Every one is guilty of an offence and liable on summary conviction . . . who, directly or indirectly, sells or gives or furnishes to a person under the age of sixteen years any cigarettes or cigarette papers, whether for his own use or not, or sells or gives or furnishes to such person tobacco in any form other than cigarettes which tobacco he knows or has reason to believe is for the use of that person.

We believe that that section, if enforced, is adequate for the purpose.

Mr. Hunter: Since such sale can only be prevented by prohibiting the use of such machines, is the department contemplating such prohibition?

Mr. Garson: Outright prohibition, do you mean?

Mr. Hunter: Yes.

Mr. Garson: The position we take is that the purpose of the act is to restrain the sale of cigarettes to minors. So far as we know, we have no reason to suppose that the law is not effective for that purpose. The administration of it, as my hon. friend knows, is the responsibility of the attorneys general of the provinces. We have received no communication from any of the departments of attorneys general to the effect that the law is inadequate, or that some other new law should be passed. So far as the outright prohibition of the use of vending machines is concerned, that is a matter relating to the sale of goods which more properly could be considered to fall within provincial jurisdiction.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO RECOMMENDATION FOR INCREASE IN BASIC PENSION—INCREASE TO THOSE ALREADY RETIRED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Transport. When the minister seeks from the Canadian National Railways the information asked for on November 30 by the hon. member for Lake Centre (Mr. Diefenbaker) and by myself on November 15, regarding Canadian National Railways pension changes, will he ascertain as well whether there is to be any increase in the pensions being paid to those already retired?

Hon. Lionel Chevrier (Minister of Transport): The answer is yes; but, as I indicated to the hon. member for Lake Centre yesterday, I have as yet received no recommendation. When I do receive it, however, I intend to impart the information to the house. I presume it will cover both points; I hope it does.

Mr. Knowles: So do I.

ARMED FORCES

RATE OF ENLISTMENTS—REPLACEMENTS

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Would he state whether the present rate of enlistments in the three branches of our armed services is adequate to supply replacements for our forces in Korea, and also to fill our commitments for additional troops in Europe to meet our obligations under the Atlantic pact agreements?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the hon. member gave notice of his question, but it was in slightly different form. I do not know what he means by "our commitments for additional troops in Europe to meet our obligations" under the North Atlantic pact. The only commitments we have made are those which have been reported to this parliament.

With regard to ground forces, we shall fulfil our agreement to have a brigade in Europe before the end of the year. We have no present intention of increasing this force.

We have in the replacement groups and schools sufficient men to meet all estimated wastage and replacements for a considerable time ahead. However, we want a continuous flow of recruits at an average rate somewhat in excess of what we are getting today.

In this connection the Prime Minister (Mr. St. Laurent) said in a broadcast last night:

> In building up the strength required to prevent aggression and ensure the peace, there is a duty for everyone. It is not something we can leave to the other fellow.
>
> We need a steady flow of young men for the highest service of all—whether it be on the battlefields of Korea, on the ramparts of freedom in Europe, or in our own northland.

HOUSING

PROTEST AGAINST PREMATURE PAYMENT OF MORTGAGE MONEY UNDER NATIONAL HOUSING ACT

On the orders of the day:

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, on Monday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked about loans under the National Housing Act to some forty residents of East Kildonan.

I have looked into the matter and I find that these owners made a complaint to the Winnipeg office of Central Mortgage and Housing Corporation about two weeks ago. Because the lending institution is the administrator of the mortgages, complaints of this kind are referred by Central Mortgage to the lending institution.

It appears that the dispute between the owners and the builders arises not on account of failure of the lending institution to retain a hold-back because of unfinished work, but rather dissatisfaction by the owners about the quality of work performed by the builder.

The hon. member refers to a protest against the payment of the balance of the mortgage moneys before receiving clearance from the buyers of these homes. At the time of the completion of the sale, each one of these purchasers signed a direction to the lending institution which reads:

> The undersigned hereby declares that the said premises have been accepted from the vendor and irrevocably authorizes the company to pay the proceeds of the said additional loan to . . . the vendor of the property, upon registration of transfer of title to me.

Therefore, it would appear that the buyers were satisfied with the houses at the time of occupation and the complaints are, as I have already suggested, about work which, after occupation, is not satisfactory to the owners.

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The hon. member asks what can be done to meet the claim of the purchasers of these homes. The present status is that they may have a claim against the builder for unsatisfactory work, and if so they can proceed against the builder through ordinary channels. There is nothing that the mortgagees can do at this time to assist the owners because no contractual relationship exists between the builder and the mortgagees. Each one of these owners was informed in writing that he must make his own contract with the builder and look after his own interest in this respect.

I should add, however, that should it appear to Central Mortgage that the builder has taken or is taking an unreasonable position against just claims by the owner, then Central Mortgage will be unwilling to approve further loans to the builder.

OLD AGE SECURITY

REGULATIONS UNDER OLD AGE ASSISTANCE AND OLD AGE SECURITY ACTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of National Health and Welfare. Have the regulations under the Old Age Assistance Act and the regulations under the Old Age Security Act been made? If so, are they available? If not, when will they be available?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the regulations have been formulated. They will be transmitted, of course, first to the provinces. It is hoped they will be mutually agreed upon well ahead of time, sufficient to permit the operation of the Old Age Assistance Act on the proclamation date.

Mr. Knowles: The minister has answered the question with respect to the regulations under the Old Age Assistance Act. What about the regulations under the Old Age Security Act?

Mr. Martin: I thought my hon. friend was asking about the regulations under the Old Age Assistance Act.

Mr. Knowles: I asked about both.

Mr. Martin: The regulations under the Old Age Security Act will be tabled here as quickly as it is possible so to do.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, December 3, consideration of the motion of Mr.

Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Argue.

Mr. Solon E. Low (Peace River): Mr. Speaker, at the adjournment of the debate on Monday we were discussing the amendment of the hon. member for Assiniboia (Mr. Argue), which was in these terms:

That the following words be added to the address: "This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain."

I had just completed saying that it was our fond hope, under the circumstances, that the Minister of Agriculture (Mr. Gardiner) might be inclined to pull a Pete Karpuk play, and rush out from the bench to the assistance of his teammates. We were very much disappointed. I went home that night sad at heart. The reason I was sad at heart was that I could not help thinking about what the Prime Minister (Mr. St. Laurent) probably was doing. I knew that he must have gone home and spent many long sleepless hours saying over and over again to himself, "Oh, where is my wandering boy tonight?" The boy was wandering in more than one sense, I would judge, from what transpired during last week and the early part of this week.

I do not suppose that there is very much we can do about that particular part of the discussion until such time as the Minister of Trade and Commerce (Mr. Howe) returns to Ottawa and we find out exactly what is to be done. Let me say, however, that I support the amendment which has been moved by the hon. member for Assiniboia (Mr. Argue). I do so because I think it is a good amendment; I think it is timely and I think the assistance it requests from the government is not only necessary but urgent.

All too often when such matters as those covered by this amendment are brought before the house some members will say, "Here is just one more unjustifiable beef on the part of the western farmers." I know that a good many hon. members are inclined to disregard appeals by western members made from time to time on behalf of their constituents. Perhaps their indifference arises from the fact that they lack firsthand information. They have no knowledge of the facts concerning the conditions under which western farmers are trying to carry on and to do their part in feeding the Canadian people as well as many people in other lands.

Let me point out that there are many things which the Canadian farmers cannot possibly do for themselves, which only the government can accomplish. It is those things about which we speak so often in this house. I am quite sure that no one can say honestly that the farmers of Canada have been given too much help in times past. I doubt if anyone can bring facts to prove such a case. To me it is just as certain that it cannot be honestly said that the farmers have had even a fair deal. In my judgment, they have rarely had a fair deal. Until comparatively recent years the farmers in this country were looked upon as clodhopping work horses who should not grumble as long as body and soul were able to hang together. However, with the growth of farm organizations and commodity pools the situation became somewhat better and since that time governments have been inclined to listen more attentively to the farmers and their requests for justice.

Even with all that, the farmers still are not getting a fair deal as compared with the other component parts of Canada unlimited. I do not need to remind the house of some of the reasons why I make that statement. In the first place, let me name a few things to bring back to the minds of hon. members how the farmers of this country have suffered. At any time when our farmers have been called upon in emergencies they have responded nobly with an all-out effort. I think one of the finest examples of this was their response during the second world war, when, faced with a shortage of labour, with their sons in the army, navy and air force, they carried on and put forth a prodigious effort to produce the necessary foods and commodities so that we could make a real war effort.

In the second place, our farmers have always been prepared to make sacrifices in the national interest. No one can disprove that. Some of us object to the unnecessary and unequal sacrifices which they are often called upon to make. It is just that feeling that activates us in protesting against the inaction of the government with respect to advances on farm-stored grain.

In the third place, down through the years our farmers have been hounded by income tax sleuths under one of the most unfair enforcement programs I have ever heard of anywhere. They have been hounded into making admissions and doing things which have placed an unnecessary burden of taxation upon them. None of us mind paying fair taxes. We do not mind having to make these payments when they are fair and just, but some of the things that have been done in carrying out this enforcement program in western Canada would make you weep.

Farmers out there have been discouraged because of this. It is going to take a long time to regain their confidence.

In the fourth place, our farmers have borne the cost of subsidizing cheap bread for all the Canadian people over a fairly substantial number of years. At the same time they took a beating under the British wheat agreement. When it was finally decided by the Minister of Agriculture (Mr. Gardiner) and the government that a partial compensation of $65 million should be made to the farmers we heard complaints all through the house of this "gift" that was being made.

I want to say just a word about some of the newspapers in this country which indicated in large headlines that the government had decided to make a gift of $65 million to the farmers. That was the most unfair insinuation that could possibly be made against a portion of our population which had risen so nobly to the occasion during the war and since. That $65 million was not a gift even in the most extreme view that anyone might take. It was nothing but partial compensation for the losses the farmers had suffered as a result of the subsidization program for cheap bread in Canada and for the beating they took under the British wheat agreement. It was nothing more than a token payment.

An hon. Member: The government did not pay it.

Mr. Low: That is quite true; the government did not pay it, it came out of the taxation of all the people of Canada where it should have come from. Any program of subsidizing ought to be borne fairly and justly by all the people and not by just one-third of the population as was the case here.

The fifth important thing to remember is that as far as my memory goes the farmers have been forced to buy in a protected market the things that they require in order to be able to produce, and have been forced to sell in unprotected markets. As a consequence the farmers of this country have constantly been subjected to a beating under the Canadian tariff. Very little if anything has been done about it and they still must suffer.

The farmers were promised parity prices after the war as a reward for accepting lower than world prices for their wheat and wheat products during the war and afterwards. There is no sign of parity as yet although it is now six years since the war ended. We hope most sincerely that parity prices will come and we should all put forth our best efforts to achieve that result. I feel that in no other way can fair treatment and justice be extended to the farmers of our country.

It seems to me that what is asked for in this statement is quite reasonable. There may be some hon. members who will feel that the 75 per cent asked for is hardly justified, and perhaps that is so. I cannot justify it entirely but I do think it is something to shoot at. But if the government should come forward with a program of advances of something less than 75 per cent of the initial payment, I do not imagine the farmers are going to kick too much, although 75 per cent may possibly be perfectly justified. Keeping in mind that the initial payment for wheat is only a portion of the final price, it seems to me that 75 per cent may not represent too high a percentage by way of advance. Certainly no one can put up a case that would in any way change our minds with respect to the need of some such advance being made.

Let me say a word about one other matter. About ten days ago the Minister of National Revenue (Mr. McCann) was asked if he would announce government policy with respect to the importation into Canada of commercial driers. I think it was understood that there were two types that would be involved. First there was the type that might be brought in by a small co-operative association of farmers as a co-operative enterprise to dry their own wheat. The other type was the kind that would probably be installed by commercial line or pool elevators for the purpose of drying wheat as it came into the elevators. The minister made an announcement as the result of which co-operatives or individuals will be allowed to bring in driers to do co-operative or commercial work, not completely free of duty but on the basis of paying for each month or part of a month that the drier remains in Canada one-sixtieth of the duty that normally would be paid. Under that policy the understanding was that the driers would only be in Canada on lease and would be returnable or exportable at the end of a certain period of time to the country from which they came.

I do not think that is sufficient. We are in an emergency year when there is a tremendous amount of grain that needs to be dried. The grain will spoil if it is not dried soon. If it is left until spring, with the advent of warm weather it is inevitable that a great many thousands and perhaps millions of bushels will never reach the mills in anything like millable condition. In such an emergency year I think the minister would be thoroughly justified in allowing

a reasonable number of commercial driers, which would be installed by country elevators, to come into Canada duty free, not just on lease but on purchase. My own feeling is that nobody would criticize action of that kind. The grain has to be dried somewhere and the best place to dry it is where it is first received. Most of the line elevators just have not the drying facilities, and for that reason I think the minister should give careful consideration to allowing such driers to enter the country duty free.

To sum up our attitude, we bespeak for our Canadian farmers only those things that are fair and just. We do not want for them anything that is not fair and just. The farmers should be assured of a return for their efforts that will represent their fair share of the national income. I do not think we should go on year after year imposing conditions upon the country, or allowing conditions to continue, under which our farmers, although they represent perhaps 23 per cent of the population, to receive out of the national income not more than 10 per cent, and in some cases somewhat less than 10 per cent. That condition must not be allowed to continue. If it is, no one can say that justice is being done to Canadian farmers. I want it definitely known that my associates and I strongly support the amendment before the house.

Mr. A. J. Bater (The Battlefords): Mr. Speaker, I had not intended to take part in this debate but some of the efforts being made by opposition members to give the impression that they are the only friends the western farmers have are just a little hard to take, particularly for one whose only occupation is that of a farmer. Liberal members from western Canada are concerned not only about the farmer who has grain in storage which he is possibly not in a position to sell at the present time but also with those whose crop is still under snow. Hon. members know that the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe) have constantly been in touch with the problems of this year's harvest and that they are doing something about them. We have had repeated evidence that other ministers, particularly the Minister of Transport (Mr. Chevrier), are doing what they can to help.

Mr. Wylie: Tell us what they are doing.

Mr. Bater: Moreover, hon. members know perfectly well that the Minister of Trade and Commerce is in the west this week concerning this problem and is working on it. I suggest there is no possible excuse for the hon. member for Assiniboia (Mr. Argue) to move such an amendment except a desire to give the impression that he and not the government is deciding the policies of this country. I do not think that is a correct impression, and I believe the proceedings of this house should reflect the situation as it really is. Accordingly I am going to move, seconded by the hon. member for Vegreville (Mr. Decore):

That all the words in the amendment after the word "regrets" be struck out and the following substituted therefor:
"the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems."

Mr. Wylie: Pretty weak.

Mr. William Bryce (Selkirk): I want to say a few words, and I do not want to get into any argument with my good friend who preceded me. I congratulate him on having the courage to get up and express his views.

Mr. Brooks: "Temerity" is the word.

Mr. Bryce: I am getting so much help I do not know what to do with it. I resent what the hon. member for The Battlefords (Mr. Bater) said about the opposition because I am one of them. I hope there will be that bond of friendship which should exist between all farmers in the west and those in the east, and I think the matter should not be put on the basis of political connivance. I rise to support the amendment moved by the hon. member for Assiniboia (Mr. Argue) because I have been in the same position as these poor people are now in western Canada. I say "poor" because anybody is poor, no matter what spirit he may have, if he cannot pay his bills. The hon. member for Springfield (Mr. Sinnott), my next door neighbour, said that there are so many bushels being threshed every day. I am very pleased to hear it.

Mr. Sinnott: Hear, hear; so are we all.

Mr. Bryce: We live in constituencies where God has been good to us. I have lived in my constituency for thirty-two years and there has only been one crop failure. However, there are other poor mortals who have not threshed a bushel yet this year, and I think the government should do something for them. That is why I rise to support the amendment of the hon. member for Assiniboia which reads:

This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain.

To appreciate the predicament in which these farmers find themselves, one need only to have had a crop lying in the field covered with snow, while the storekeeper is asking for payment of the bills you ran up during the summer. I believe the government should do something for these farmers. I do not want to thresh old straw, but the only way one can be sure of anything is to get up in the house and say you are either for it or against it. I am in favour of the amendment moved by the hon. member for Assiniboia (Mr. Argue).

I should like to take this opportunity to congratulate the Minister of National Revenue (Mr. McCann) upon having the most efficient collection agency in the income tax field in Manitoba. I do not think there is anything that can touch it, and I speak from practical experience. I tried some of the stunts that my colleagues in the house have tried in other provinces, and the department sent for me. They said "You cannot do that". I said "Well, other people are doing it." They said "It does not matter whether or not they are, you cannot do it in Manitoba". Then I suffered a loss from my bee industry, and I charged up that loss. I was told that I could not do that, and I asked why. The department said "If you were a cabinet minister you could charge your loss up to your indemnity, but not when you are just a backbencher." Therefore I was not only stung by my bees, but I was also stung by the tax department.

Mr. McCann: Who told you that?

Mr. Bryce: I have it in black and white. I would not make such a statement unless I could back it up. No other branch can touch the Manitoba branch in collecting income taxes. A lot of credit is due to these officials. They are good civil servants doing a good job. I believe you could go to the Manitoba income tax branch and they could tell you what the 52,000 farmers will be able to pay. Some of the other provincial branches should take a leaf out of their book, and we would not have to pay so much.

Mr. Wylie: You mean the eastern provinces?

Mr. Bryce: Any branch that is not collecting enough taxes, or the taxes that are due. I have a clipping here from the Winnipeg *Tribune*. It reads as follows:

Farmers, as a group, lead the parade in Manitoba in the amount of income taxes paid, according to the most recent issue of taxation statistics by the Department of National Revenue. Here is the picture as given in the official publication.

Occupation	Number of Taxpayers	Tax Paid
Farmers	6,590	$1,585,000
Medical doctors	390	538,000
Salesmen	1,200	296,000
Lawyers	200	281,000
Dentists	210	168,000
Entertainers	120	20,000
Engineers and architects	10	9,000
Osteopaths, chiropractors	20	8,000
Nurses	100	7,000

These figures account for only a small part of the more than $35,000,000 paid in income tax by individuals in Manitoba in the 1949 taxation year. The list does not include dominion, provincial and municipal government employees, members of the armed services, employees in private business or owners of small businesses. But the figures are nevertheless interesting.

Incidentally it should be added that $268,000 was collected from 160 dead persons in the same year. But as this could hardly be classed as a profession it was not inserted in the above table between lawyers and dentists.

Before leaving this subject I should like to repeat my congratulations to the minister upon having such an efficient collection service in Manitoba.

Mr. Low: You like it, do you?

Mr. Bryce: I have a clear conscience, because they have taken every cent I ever owed. I do not mind that because I believe everybody should pay their income taxes. In my opinion it is the fairest form of taxation. If you do not have the income you do not pay the tax. The taxes of the country have to be paid, and this is a fair way of paying them.

I should like to offer hearty congratulations also to the farmers of Manitoba on the outcome to the plebiscite on November 24. There can be no mistake as to where the farmers of Manitoba stand today. The government called for a referendum to give those who were interested an opportunity of expressing their opinion on the marketing system they wanted for their coarse grains. The farmers have given an emphatic answer, because 89 per cent favoured the wheat board. Perhaps it would save time if I quoted from an editorial appearing in the *Manitoba Co-operator* of November 29, which is headed "The Producers' Decision". It sums up the situation perhaps better than I can.

Some day perhaps those who weep crocodile tears, and purport to speak with all the sincerity and understanding of the farmers' problems, will realize that the producer is more than ever determined that the commodities he produces shall not furnish the pigskin to hold the balloon juice that inflates a speculative football. He is done with speculative marketing. While many will undoubtedly admit that the wheat board is not a cure-all, and does not solve all the problems in their marketing picture,

the farmers of western Canada have no intention of permitting speculative trading to fix the prices they receive for their commodities.

Further down the same editorial says:

It must be with a great deal of pride that the Canadian wheat board recognizes the vote of confidence which they have received from the producers of Manitoba in the referendum. At the same time, it lays a greater degree of responsibility on the Canadian wheat board. Undoubtedly, from time to time, there will be criticism from producers. It is to be anticipated that the board will be receptive to such criticism, so long as it is intended to be constructive.

I believe the wheat board should go much further today and market rye and flax. I have the market reports here, but I shall not put them on the record. The farmers know what they reveal. The fluctuation in flax has been over a dollar within the last three months. The man who was fortunate enough to get his crop threshed received $4.00, while the man who has not got it threshed will receive $5.00 if he ever does get it threshed. This leads me back to the question of stable prices, and I am in favour of them. I hope the Minister of Agriculture (Mr. Gardiner) will have something to say about the drop in the price of eggs. People who have paid high prices all winter for feed for chickens are going to suffer a loss. The government should step in and do something about it.

I do not want to take up any more time, but I should like to assure hon. members that I support the amendment moved by the hon. member for Assiniboia.

Mr. J. S. Sinnott (Springfield): I am speaking on the amendment to the amendment, Mr. Speaker. I should like to read the amendment moved by the hon. member for Assiniboia (Mr. Argue) first, then read the amendment to the amendment and give my reasons for speaking against the amendment of the hon. member for Assiniboia, which reads:

That the following words be added to the address: "This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain."

The amendment to the amendment reads as follows:

That all the words in the amendment after the word "regrets" be struck out and the following substituted therefor:

"the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems."

I support the amendment to the amendment, and I am giving my further reasons as to why I spoke against the amendment moved by the hon. member for Assiniboia. If you will follow it closely, Mr. Speaker, you will find

that the amendment does not take into consideration at all those farmers who have their crops under the snow today. It only takes into consideration the payment to farmers who have grain in store now. These members who profess to want to be helpful do not even consider the men who have their grain outside in the snow, but they are willing to help those who already have their grain in store on the farms. I am not in accord with that policy because the poor man who has 400 or 500 bushels in store in the granaries will have little coming to him, while the man who has possibly 40,000 or 50,000 bushels in store—and there are some of those in parts of Saskatchewan—will be getting the big help. In other words the help will be coming to those who need it least. To make a long story short, the man who has his grain outside in the swath is more entitled to help than anybody that I know of; and I hope the government will see to it, after the Minister of Trade and Commerce (Mr. Howe) has come back and sized up the situation, that some assistance per acre will be given rather than this assistance to those who have their grain stored in the granaries at the present time.

Mr. Speaker, a campaign has been carried on by certain people in this country to discourage the actions of the wheat board. The hon. member for Selkirk (Mr. Bryce), who is a neighbour of mine, touched on the subject a little bit, but I am going to touch on it further and possibly make the situation a bit clearer. Regardless of the campaign that was put on against them, the farmers voted in the coarse grain referendum in Manitoba. In that referendum 67 per cent of those eligible voted; and 89 per cent of those voted for the continued handling of coarse grains through the Canadian wheat board.

To put the situation more clearly may I say this. The hon. member for Selkirk did not speak of his own experience in selling grain this fall, but I am speaking from my own experience. I sold my flax for $4.01 a few days after it was combined. That same flax, six weeks later, was selling for $5.01 net. There is no fairness in an up and down market of that kind. We as farmers and as businessmen do not need to be told by anyone what should be done. From our past experience with regard to the marketing of grain we know that if an enormous amount of tough, damp and feed wheat and coarse grain had been dumped on the market, at the mercy of the grain exchange, our losses would have been colossal to say the least.

The farmers of Manitoba are happy at the present time with the final payments they have received for their coarse grain and the payments they will receive for their 1950-51 wheat crop. The money they are receiving

rightly belongs to the growers, and with it going into the pockets of the growers the situation is much more satisfactory than it would be if the money were going into the pockets of those residing on Wellington Crescent and the gamblers of the grain exchange.

An hon. Member: Suppose the market had gone down. What then?

Mr. Sinnott: Those who weep crocodile tears weep them under a cloak, pretending to speak with sympathy and understanding of the farmers' problems. They do not need to inflate the speculative football of the grain exchange any longer. Perhaps it would be better for them to put forth the idea that the consumers of wheat throughout all of Canada would not mind paying another 15 cents a bushel over and above the international wheat agreement price. We, the farmers in western Canada, and all of the people in western Canada do not have a protective wall. We are therefore forced to pay this tariff for almost everything produced in eastern Canada. The majority of the population of Canada resides in Ontario and Quebec. If those people were shown, through the medium of the newspapers and by the people who are responsible, that the farmers are entitled to 15 cents a bushel more for the domestic wheat which is consumed in Canada, I am sure there would be a better understanding between the east and the west. If more of that idea were put forth I am sure—

Mr. Ross (Souris): Why only 15 cents?

Mr. Sinnott: Oh, maybe I should say $1.50. If I were a politician I would say $1.50; but I state facts.

Mr. Ross (Souris): You are a statesman, are you?

Mr. Sinnott: I want to be honest. I do not pretend to be a politician. I try to state the facts as I see them. If I cannot come to this House of Commons and state facts rather than play politics, then I will tell the hon. member for Souris that I do not want to be here at all. There is too much politics played with the people of Canada.

Mr. Ross (Souris): What is the 15 cents based on? What is the comparative figure?

Mr. Sinnott: It is based on the international wheat agreement price, in connection with what we sell as class II wheat. There has to be a happy medium.

Mr. Ross (Souris): That is 50 cents, not 15 cents.

Mr. Sinnott: If you consider the 40 to 50 million bushels of wheat we sell as class II and what we consume in Canada, and couple that with the 200 million bushels we are selling now under the international wheat agreement, I think you will see that my estimate comes pretty close to the mark.

Mr. Bryce: I did not want to interrupt the hon. gentleman when he was speaking, Mr. Speaker, but with your permission I should like to ask him a question. What justification has he for saying that I am not talking from my own practical experience this fall in selling grain?

Mr. Sinnott: From the statement you made today. You quoted from the newspaper.

Mr. Bryce: No, I did not. I want that matter corrected. I quoted the article in the *Manitoba Co-operator,* what they said about the plebiscite, and what the Winnipeg *Tribune* said about income tax. I gave my own personal experience with regard to income tax and my own personal experience with regard to selling rye and flax. I hope the hon. member will accept that statement.

Mr. Sinnott: Will you permit me a question? How much did you receive for your flax?

Mr. Deputy Speaker: Order.

Mr. Bryce: I do not think that is a fair question.

Mr. Deputy Speaker: Order.

Mr. Sinnott: As a matter of fact, he had no flax.

Mr. Deputy Speaker: Order. As we are not in committee, I do not think this is the time for the asking of questions.

Mr. J. I. Hetland (Humboldt): Mr. Speaker, I should like to say a word on the amendment to the amendment. I am opposed to the amendment for one good reason, namely that it does not take in enough territory.

Mr. Wylie: It takes in plenty.

Mr. Hetland: No, it does not. The amendment to the amendment allows the government to give advances to farmers who have not threshed a bushel of grain. The amendment mentions 75 per cent on stored grain. I bought grain for twelve years, and I know that you cannot have grain stored any place on the farm and get an advance on it unless it is dry; and it has to be well housed. Last fall the majority of the farmers threshed their crops damp, and a lot of the grain has a moisture content of 20 per cent. This advance is not going to help any farmer who

has tough grain. Therefore it just leaves a small group who will get some benefit from the amendment. But the amendment to the amendment would permit the government to advance money on grain that is in the swath, or that has not even been swathed. These are the people who need help, certainly not the man who has well stored grain that is dry. He does not need help very much. The average man can go to the bank and get an advance, but the man who has his crop in the swath certainly cannot get an advance.

This government have told us several times that they are considering some plan to help the farmers in need. Any plan that is brought forward by this government has to be more or less foolproof. I do not know of anything that would please the opposition more—I will not say all of the opposition, but some of them—than to have some scheme that was not foolproof. What ammunition they would have to use in the next provincial election if the scheme failed. Therefore any scheme that is put forward by the government has to be foolproof.

If we adopted the amendment to the motion we would need an army of inspectors to inspect all the grain. If you went to a farmer and told him that his grain was tough I can just imagine what kind of a reception you would get. All the farmers believe their grain is dry. Naturally that is wishful thinking. The elevator man and the man who went around inspecting would have to test this grain, and would have to tell the farmers that their grain was not fit to justify an advance. Then he would certainly run into a lot of difficulty there.

What about the expense? It is a little different in the United States. The government assumes all the expense in that country, but here the wheat board would have to assume all this expense. And who would pay for it? The farmer himself. It is true that the government is trying to come out with some plan, and I believe when the Minister of Trade and Commerce comes back he will have the O.K. from all our farm organizations. Therefore I am very glad to support the amendment to the amendment.

Mr. Diefenbaker: I rise on a point of order with reference to this alleged subamendment. I submit that it is not an amendment. It is simply a means whereby a further opportunity will be given to members supporting the government to indulge in further back-scratching of the government. As I read the subamendment, it is something that derogates from the subject amended. Before you is a motion to approve the speech from the throne. An amendment is moved to that. This purports to be an amendment to the amendment. Approval of the government can be given by voting in favour of the motion, but this is an extra approval. It provides:

> That all the words in the amendment after the word "regrets" be struck out and the following substituted therefor:
>
> "the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems."

I submit that what purports to be a subamendment requires no argument. It is in effect not an amendment, but a further motion of approval and approbation of the government and its advisers. I ask Your Honour to rule that it is clearly out of order.

Mr. Knowles: Mr. Speaker, in support of the point raised by the hon. member for Lake Centre may I quote a sentence from May's Parliamentary Practice, thirteenth edition, at page 291. It reads as follows:

> An amendment to a proposed amendment cannot be moved, if it proposes to leave out all the words of such proposed amendment; but in such a case the first amendment must be negatived before the second can be offered.

It may be argued, Mr. Speaker, on the basis of strict technicality that the amendment of the hon. member for The Battlefords (Mr. Bater) does not strike out all the words of the amendment moved by the hon. member for Assiniboia (Mr. Argue) because it does leave in three words: "This house regrets".

Mr. Fournier (Hull): That is the important part of the amendment.

Mr. Knowles: Oh, no. But it does strike out all the substance of the amendment and proposes an alternative proposition, which I submit is not in order for the reasons I have just given, and not in order because it is not relevant to the subject of the amendment proposed by the hon. member for Assiniboia. The hon. member for Assiniboia submitted a distinct proposition. That proposition does not exclude the consideration of other matters such as grain under the snow. It is a distinct proposition with respect to farm stored grain. The amendment of the hon. member for The Battlefords seeks to strike out completely that distinct proposition and substitute another one; and I submit that is out of order on the basis of the citation I just read from page 291 of May's Parliamentary Practice, thirteenth edition, for it would deny to the house the right to vote on my colleague's amendment. While I am on my feet, Mr. Speaker, I might raise a question as to what might be the course from here on;

whether or not the result of this amendment, if it were allowed, might be the defeat of the government at the hands of the government's own supporters, because, Mr. Speaker, I think it would be in order to anticipate what might happen.

Mr. Smith (Moose Mountain): Are you worrying about that?

Mr. Knowles: No; I would be very glad to join with my hon. friend in that.

Mr. Fournier (Hull): That would be out of order.

Mr. Knowles: May I point out, Mr. Speaker, that since this amendment has been moved by a government supporter I presume he has support for it in the government ranks, and that one might even anticipate that the subamendment will carry and then the house will have before it the amendment as amended. Since that amendment as amended would be no longer the words of the hon. member for Assiniboia but rather the words of the hon. member for The Battlefords I assume that the hon. member for The Battlefords would get support from his colleagues, and that the amendment as amended would carry. Then, Mr. Speaker, we would have the motion for the address in reply to the speech from the throne amended by the amendment of a private member on the floor of this house; and it is usually understood that unless the motion for the adoption of the address in reply to the speech from the throne carries without amendment it is a vote of non-confidence in the government. Therefore I suggest, Mr. Speaker, that what the hon. member for The Battlefords has done is to set a trap for the supporters of the government. Every Liberal will be faced with the dilemma whether to support his subamendment in the final stage in order to vote for the proposition he has put forward, or whether to vote against it in order to make sure that the motion for an address in reply is not amended, which would mean that the government had been defeated.

Mr. Decore: How do you know?

Mr. Knowles: We will deal with that situation later. I suggest, Mr. Speaker, that you should consider the point as to whether it is in order, in view of what I have quoted from May that when an amendment is before the house a proposed subamendment, which is a distinctly different proposition, should only come forward after the original proposition has been dealt with.

Mr. Fournier (Hull): First, the hon. member for Winnipeg North Centre stated that it would be out of order because the hon. member for The Battlefords had erased the amendment of the hon. member for Assiniboia, but he did make the remark that the important words of the amendment are that somebody regrets something. We left that regret in.

Mr. Knowles: Whom does the hon. member mean by "we"? I thought it was the hon. member for The Battlefords (Mr. Bater) who moved the subamendment.

Mr. Fraser: He and the rest of the cabinet.

Mr. Fournier (Hull): I just learned of the amendment to the amendment when it was brought into the house, and I can assure hon. members that I was not a party to it when it was brought in. However, I like to discuss these points of order, especially when they are discussed by such learned confrères as the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Winnipeg North Centre (Mr. Knowles). It has been pointed out that the taking away of all the words after the word "regrets" would be out of order, because it would be foreign to the amendment, and in support of the hon. member's contention he cities May.

Well, perhaps I might be permitted to cite Beauchesne, whose work is recognized as an authority here, and who says that an amendment to an amendment should not enlarge upon the scope of the amendment, but should deal with matters that are not covered by the amendment.

We are not enlarging upon the amendment. The first amendment moved was an expression of regret that the government had failed, so it is alleged, to pay 75 per cent of the initial price of farm stored grain. We say we do regret the plight of western farmers; everybody does. I cannot see why hon. gentlemen opposite would object to expressing that regret publicly in the house, so as to show these farmers the sympathy we all have for them.

Some hon. Members: Oh, oh.

Mr. Fournier (Hull): Well, I do not know if an expression of regret by these gentlemen is a matter for laughter. I do not take it that way.

Mr. Macdonnell (Greenwood): We want to see more than expressions of regret.

Mr. Fraser: We want action.

Mr. Fournier (Hull): You are acting every day, but with very little result. We are doing the best we can, and we are telling these farmers in the subamendment that we know about the serious difficulties encountered by western farmers in harvesting their crops.

The two amendments relate to the same subject matter, but in a different way. We do not express regret in the amendment to the amendment that the government has not paid 75 per cent of the initial price of farm stored grain, which could not be delivered to the elevators, but we say here that this house commends His Excellency's advisers "for the continuing attention they have given to the problems caused thereby, and are confident that effective measures will continue to be taken to help the farmers in meeting these problems."

Mr. Ross (Souris): You wish them well.

Mr. Knowles: Explain.

Mr. Diefenbaker: A confession of confidence.

Mr. Fournier (Hull): This subamendment gives a good many explanations—

Mr. Fraser: You mean it needs a good many.

Mr. Knowles: But no help to the farmers.

Mr. Fournier (Hull): If hon. members will look at citation 371 in Beauchesne's third edition perhaps they will be satisfied as to the legality or the propriety of the subamendment. This citation reads:

A subamendment which proposed an alternative to the original amendment is in order provided it is relevant to the question.

Mr. Knowles: "Provided it is relevant".

Mr. Fournier (Hull): Would the hon. member say that this subamendment is not relevant to the plight of the western farmers? The only difference is that we do not fix an amount that we agree to pay to these farmers.

Mr. Ross (Souris): You do not offer any help.

Mr. Knowles: Would you like an answer?

Mr. Fournier (Hull): No. The subamendment is certainly relevant to the question, because in the speeches to which I have listened on this question there has been an expression of regret that these farmers will suffer, especially during this season, if something is not done right now. The subamendment moved by the hon. member for The Battlefords goes into that same question. On that point of relevancy I submit the subamendment is in order.

Mr. Knowles: May I have a moment to answer the comments of the Minister of Public Works, and his attempt to argue that the subamendment is relative to the amendment. I based my objection to it on the citation I read from page 291 of May's thirteenth edition. The Minister of Public Works has based his defence of the amendment to the amendment on citation 371 in Beauchesne's third edition. But I have emphasized the last few words of that citation, where it states that a subamendment which proposes an alternative to the original amendment is in order "provided it is relevant to the question". The amendment of the hon. member for Assiniboia is that such and such a thing should be done with respect to farm stored grain. There may be other problems facing the farmers of western Canada, but his amendment deals only with that one problem and submits a distinct proposition as to what should be done about it.

On the other hand the subamendment raises a different question altogether. By the process of an expanded negative it simply wipes out the proposition set forth by the hon. member for Assiniboia, denying the house any chance to vote on it, and substitutes something quite different. As a matter of fact what it wipes out is a substantial proposition that something be done for the farmers, and what it substitutes is a pious expression of sympathy. I submit it is not relevant at all. It is a substitution of an alternative which is quite different. If it had been added to the amendment, it might have been in order. It certainly would be in order as a proposition for presentation after the first amendment has been disposed of. But as to the matter of relevancy I am sure the Minister of Public Works realizes that it just does not qualify.

Mr. Fournier (Hull): Oh, no.

Mr. Speaker: When the subamendment was moved I must admit to the house that I was quite concerned as to whether it was in order, even though considerable latitude is traditionally allowed in amendments to the address in reply. During the interval I have endeavoured to look up the precedents. Hon. members will realize that I have had only a limited time at my disposal in which to do so.

Hon. members who have taken part in the discussion of the question as to whether or not the subamendment is in order have first faced the question of its relevancy. The hon. member for Winnipeg North Centre (Mr. Knowles) has said that the subamendment is not relevant to the amendment, in its present form.

The amendment reads:

"This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain."

The subamendment reads:

"This house regrets the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given

to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems."

The Minister of Public Works referred to citation 371 in Beauchesne's third edition, which reads:

A subamendment which proposed an alternative to the original amendment is in order provided it is relevant to the question.

One important question I must decide is that raised by the hon. member for Winnipeg North Centre (Mr. Knowles). It has been argued that the amendment deals with one question only and that the subamendment does not refer specifically to that matter. It seems to me that the subamendment is wide enough to include the question which is brought forward by the main amendment. In view of the fact that the subamendment does include the question raised by the main amendment I do not see how it could be irrelevant to the main amendment, within the meaning of citation 371 of Beauchesne's third edition.

Hon. members will realize that during the debate on the speech from the throne I have allowed considerable latitude in the amendments which have been proposed, and I feel that I shall have to allow the subamendment to stand on the question of relevancy.

The further question has been raised that the subamendment strikes out most of the words of the amendment. During the time I have had to look into this question I find that a similar motion was moved on April 13, 1899, and I refer to volume XXXIV of the *Journals* for 1899, page 55, as follows:

Mr. Clark moved in amendment, seconded by Mr. Hale, that the following paragraph be added to the said proposed motion, viz:

"10. That this house deems it expedient to inform His Excellency that in view of the widespread charges of incapacity, misconduct and corruption in the administration of public affairs connected with the Yukon, it is the duty of the government to appoint, without delay, an independent judicial commission to make a thorough investigation into that subject and report the result;"

And the question on the amendment being proposed;

Mr. Bertram moved, in amendment to the said proposed amendment, seconded by Mr. Bourassa, that all the words after the second "that" in the amendment be left out,—

Hon. members will realize that up to that point the subamendment moved in 1899 was similar to the subamendment which has been proposed today.

—and the words "we have observed with pleasure that on receipt of complaints against some of the officials in the Yukon district, His Excellency's government took prompt action to enquire into the matter of such complaints by appointing Mr. William Ogilvie as a commissioner for that purpose. Having entire confidence in the integrity and ability of Mr. Ogilvie, we are satisfied that his enquiry will be impartial and thorough, and that it will place His Excellency's advisers in possession of all information necessary to enable them to do justice to all parties concerned," inserted instead thereof;

I have not been able to find a parallel case or a ruling contrary to the one given at that time and while, as I have said, I have some doubt, I feel that, in view of my finding on relevancy and of the precedent of 1899 which I have just referred to, I should allow the subamendment to stand.

Mr. H. R. Argue (Assiniboia): I regret that the hon. member for The Battlefords (Mr. Bater) has moved this subamendment. It is not that I object to the wording of the subamendment as being something to which we might not devote some time, but the fact is that an affirmative vote for the subamendment, which is almost sure to result, will eliminate any opportunity of voting upon the proposition that an advance of 75 per cent of the initial price be made to farmers for grain stored on the farm. In my opinion it is a disservice to our farmers for a western member of parliament to move such a pious amendment and by so doing prevent a vote on a proposition which is so important to the welfare of western Canada at this time. The Minister of Public Works (Mr. Fournier) said the amendment would then read:

This house regrets the serious difficulties encountered by the western farmers in harvesting their crops—

What earthly good is it for this house to say it regrets that a serious situation exists? The farmers do not want sympathy from parliament; they want action from the government.

The hon. member for Humboldt (Mr. Hetland) has said that the amendment asking for an advance of 75 per cent on farm stored grain did not go far enough. When I was considering the substance of my own amendment I considered whether or not I should add to it an indication of want of confidence in the government for not making provision for financial assistance to farmers in connection with grain under the snow. I did not add that feature to my amendment for what I considered was a good reason. On November 15 the Minister of Trade and Commerce (Mr. Howe) replied to a question of mine, and I quote from page 1041 of *Hansard* as follows:

I have stated before that the government is actively considering the problem of wheat, oats and barley that are still in the fields. Representatives of the Department of Trade and Commerce and the Canadian wheat board are in western Canada at the present time exploring the situation with the wheat pools and with elevator companies, and I hope very shortly to be able to announce a method of financing wheat that could not be harvested.

I was willing to take the word of the Minister of Trade and Commerce that the government was dealing and would deal with the matter of providing assistance for farmers who have grain under the snow. Any suggestion by the hon. member for Humboldt that my amendment does not go far enough merely indicates that the hon. member has no faith in the announcement by the Minister of Trade and Commerce. I did not think it was necessary to move a subamendment saying this house regrets that the government has not decided to do a particular thing when the government, through a responsible minister, announced to parliament a short time ago that action would be taken along those lines. The hon. member for Humboldt said that the amendment to the amendment would enable the government to advance money on crops out under the snow. Of course the government does not need an amendment to the amendment or a motion by parliament to advance money on crops under snow. The government has ample power now to make that provision, and it certainly has the power to introduce legislation for that purpose. The hon. member for Humboldt (Mr. Hetland) went on to cite difficulties that would stand in the way of a 75 per cent advance payment on farm stored grain. He was opposed to it, and he gave his reasons. He said it would be an expense to the wheat board. But it would not need to be an expense to the wheat board if the government brought in proper legislation to make such a provision. If adequate legislation were brought in it would not mean any expense to western farmers. This is an emergency. The farmers need emergency action, and to suggest that necessary emergency action should be a further burden on the farmers of the west is not doing them a service.

The hon. member for Humboldt raised another bogeyman. He said that money could not be lent on tough grain. You can sell tough grain and get a good price for it. You can sell damp grain and get a pretty good price for it.

Mr. Hetland: You cannot get an advance on damp grain.

Mr. Argue: You cannot get an advance on anything from this government. That is what I am complaining about. You could under the terms of the amendment I moved, even though the hon. member for Humboldt is objecting to an advance on farm stored grain. The hon. member for The Battlefords (Mr. Bater), by moving an amendment to the amendment and getting the support of the cabinet, has prevented the house taking a decision on the question of an advance on farm-stored grain. In the first part of the subamendment he regrets the serious difficulties encountered by the western farmers in harvesting their crops. We all regret that. It is hardly necessary to put it in an amendment. Then the subamendment continues:

> . . . and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby—

I do not mind their giving continuing attention to this matter or anything else. We do not want merely continuing attention; we want action. The last part of the subamendment reads:

> —and is confident that effective measures will continue to be taken to help the farmers in meeting these problems.

I say that effective measures have not been taken, and for that reason I will certainly vote against the subamendment. As I said at the outset, I regret sincerely that a western member, with the help and support of other western Liberal members, in the face of the critical situation confronting the farmers of western Canada, would endeavour by this method to prevent parliament from voting on a proposition that is absolutely necessary for their welfare.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to say that I support the amendment moved by the hon. member for Assiniboia (Mr. Argue), after having listened to the arguments presented by the various members who have spoken in this debate. I am one of those members who are not very well informed about the details of the wheat marketing situation, but I think members who have spoken in favour of the amendment have given valid reasons for the government taking such action. I also think that, according to reports we have read in the press of the statement by the Minister of Trade and Commerce (Mr. Howe), the amendment is not far out of line with government policy.

When the hon. member for Assiniboia was speaking the other evening I am sure a good many members were interested in the figures he presented dealing with the income tax collected from farmers in various provinces of Canada. I am sure many of us were much concerned with the apparent disparity in the amounts of tax collected. I am one of a goodly number of members in the house who look forward with some interest to an explanation of those figures on the part of the Minister of National Revenue (Mr. McCann). I am not going to say any more on that point at this time because sometimes explanations can be given for bare figures that present a somewhat different picture.

The amendment largely has to do with something that concerns the life of the body. I am going to take the opportunity presented by this debate to deal with something that I consider concerns the life of the spirit, and a good many other persons in Canada are of the same opinion. I want to speak for a few minutes on a matter that is of great concern to many of my constituents and other Canadians at this time. It is a matter that is of great concern to the members of this group. I refer to the mystery surrounding the possible release of the former nazi general, Kurt Meyer.

I am anxious to express the anxiety of this group because we know a large number of Canadians are concerned about this question. All members of the group for whom I am speaking have received resolutions from trade unions, Canadian Legion branches, women's organizations, and also quite a number of letters. In addition, the press generally throughout Canada has shown in various editorials considerable concern, and with respect to my own constituency editorials in the press have expressed similar concern. In this, the press is reflecting the concern and opinion of a large number of Canadian people. I was interested to receive only yesterday a letter from a Canadian of French descent in my constituency who is over 75 years of age, a man on whose logging sleds I used to ride as a boy forty-five years ago. He writes quite a touching letter to me. He cannot understand why, if this man has been sentenced as a war criminal and in view of what has been suffered by Canadians as a result of his actions, there is a possibility of his being released.

It is because of that concern that I feel justified in taking a few minutes to deal with this very important matter. I must explain before proceeding that it is not a question of a vindictive attitude toward a person or an enemy. This is a matter that concerns the Canadian people from the point of view of justice, the principles we have declared from time to time in this house and throughout the country, and from the point of view of national policy. It is on that basis I wish to make some representations this afternoon. The concern of the Canadian people has been considerably increased as a result of the newspaper account written by Mr. Douglas How, Canadian Press correspondent, dealing with the fact that Kurt Meyer had been given several days holiday from prison in Germany. In view of the concern of the Canadian public as a whole, I think parliament and the people of Canada are entitled to a frank and complete statement from the Minister of National Defence (Mr. Claxton) before this session ends. Only something of that nature can allay the fears of many persons throughout the country.

In order to bring the picture into focus within the compass of one very short speech, I want to review briefly the developments in connection with this matter. I find that the question was first raised by the hon. member for Lake Centre (Mr. Diefenbaker) in the external affairs committee of 1946. At that time he brought to the attention of the committee the fact that the War Measures Act had expired, and that it was quite possible that the release of Kurt Meyer could be obtained because he was formally held under the terms of that act. I judge from a reading of that evidence, and a reading of *Hansard* of a slightly later date, that it was because of the alertness of the hon. member for Lake Centre (Mr. Diefenbaker) that shortly afterwards the government introduced the War Crimes Act.

I am going to read briefly from the debate in connection with that act. At page 4382 of *Hansard* for 1946 the hon. member for Lake Centre had this to say in dealing with the question:

> In other words, while now the minister takes the view that these regulations were drafted as part and parcel of international law, or under the powers of His Majesty under royal warrant, the regulations provided that they were drafted entirely under the War Measures Act with the result—at least so I contended—that in view of the fact that penalties under the War Measures Act were restricted to five years or a fine of $2,000, no statute could grant to a subsidiary measure by way of order in council passed thereunder the power to impose a heavier penalty. Among others, Kurt Meyer, a prisoner in Dorchester penitentiary, might have made an application to the courts for the purpose of determining that his imprisonment was illegal and, as a result, the doors of that penitentiary might have been opened, should the court find that an illegal sentence, beyond that provided for under the War Measures Act, had been imposed.
>
> While the minister has said there was an opinion from the Department of Justice that such a possibility was not a probability, I would point out that in giving evidence on the matter before the committee on external affairs the deputy minister of justice said he had no doubt that a forceful argument could be made in support of the contention that I advanced to the contrary.

So I presume, Mr. Speaker, that Canadians generally have to thank the alertness of the hon. member for Lake Centre for the fact that Kurt Meyer is not free today.

Proceeding with a short review of this case, I find that I raised the question on March 2 of this year during a debate on the Defence Production Act, as a result of receiving a number of representations from individuals, trade unions and the Legion. I did not get very far, as I was ruled out of order. I was able to express my views only briefly. Then on October 19 the question of Meyer's release was raised by the hon. member for Lake

Centre, and on October 22 the Minister of National Defence (Mr. Claxton) replied. The hon. members for Rosetown-Biggar (Mr. Coldwell) and Vancouver East (Mr. MacInnis) also asked certain questions.

Then on November 26, the leader of the opposition (Mr. Drew) spoke on this question on a point of privilege. His remarks were based on a newspaper report by Douglas How of the Canadian Press. The same day the parliamentary assistant to the Minister of National Defence (Mr. Campney) made a statement. I am not going to read his reply in full, but in part he had this to say, as recorded at page 1301 of *Hansard*:

> Mr. Speaker, the fact is that Kurt Meyer was transferred to a British prison at Werl in Germany —a prison which is operated for the punishment of war criminals convicted by Great Britain. While he was so transferred for purposes of incarceration, as the Minister of National Defence said at page 245 of *Hansard*, he remains under the control of the government of this country so far as sentence is concerned, and any release—that is, permanent release—would be within the jurisdiction of this government.

A few days later a Reuters news dispatch in reporting the reply of Anthony Eden to a question in the British House of Commons stated that Canada was not asked about Meyer. This press dispatch reads as follows:

> Foreign Secretary Anthony Eden was asked in the House of Commons Monday if the Canadian government was consulted or informed before the former nazi General Kurt Meyer was released on compassionate leave in the British zone of Germany.
>
> He replied that it was not, but a Canadian order in council had previously enacted that Meyer—sentenced to life imprisonment by a Canadian military court for ordering the murder of 18 Canadians—would be dealt with in the same way as the other prisoners detained at Werl.
>
> He added that Meyer was released from Werl prison on seven days' compassionate leave. The granting of leave for strong compassionate reasons or to attend to urgent family business was recognized German penal practice which applied to war criminals of the Werl.

My point in that connection is that the parliamentary assistant's answer indicated that Kurt Meyer was under the control of the Canadian government. Here we find that he was released temporarily without the Canadian government being consulted. It is obvious that, regardless of the statement made by the parliamentary assistant, Kurt Meyer is in a German prison under the control of the German government, which prison is operated according to German regulations.

The Canadian people are concerned as to the identity of the parties who applied for the release of this former nazi general. On October 22 the Secretary of State for External Affairs (Mr. Pearson) informed the house that the German ambassador-designate had discussed the question of this man's release with certain officials of the Department of External Affairs on October 15. Apparently the German ambassador-designate was making representations on behalf of the German government for the release of Kurt Meyer while the ladies' auxiliaries of the Legion in this country were preparing for the sale of poppies on November 11, and while the veterans' organizations of this country were making preparations to pay their annual tributes to the war dead of Canada.

I believe it would be wise to put on the record, because newpapers are easily lost and a good many Canadians are confused in connection with this case by what has been said in so many quarters, what the prosecutor of Meyer has to say. In this respect I am going to quote briefly from an article in the *Globe and Mail* of December 3, 1951. This article is entitled "Prosecutor of Meyer supports conviction". It reads:

> Bruce J. S. Macdonald, now Windsor's crown attorney, issued a statement in which he said he was supported by Clarence Campbell, president of the National Hockey League, and Mr. Macdonald's assistant at the war crimes trials.
>
> The statement follows:
>
> "It was not my intention to say anything about the return of Kurt Meyer to Germany. There has been much uninformed public comment about the whole matter which could be ignored.
>
> However, the statement volunteered by Lt. Col. Dalton Dean of Haileybury, who assisted me at the trial, does call for consideration. I have been in touch with Lt. Col. C. S. Campbell, MBE, K.C., of Montreal, who was assistant prosecutor at the trial, and we are in complete agreement in the following expression of our views.
>
> It will be recalled that Meyer was charged with the commission of five war crimes. On only four he could be convicted (one being an alternative.) He was found guilty of three of the four possible charges and acquitted on the remainder.
>
> He was convicted of inciting and counselling troops to deny quarter. This occurred prior to their commitment in action.
>
> The evidence came from German personnel and was amply sufficient to justify conviction in any civil court.
>
> The other two convictions had to do with the shooting of 18 Canadian prisoners at Meyer's own headquarters at a distance of only 100 metres from his command post.
>
> The evidence of a German eyewitness was that seven of these prisoners were individually executed by a senior NCO at the headquarters following their interrogation by Meyer's adjutant.
>
> This immediately followed the open statement by Meyer to the adjutant and others present that 'in future we will take no prisoners and a sotto voce conversation between them.
>
> On this unshaken testimony and much corroborative evidence of a circumstantial character, the court, consisting of five of Canada's most experienced and distinguished field commanders, found Meyer guilty.
>
> The finding and death sentence imposed by the court were then confirmed by the convening officer, Major-General Vokes. Later, after all the presentations had been completed for the execution, General

Vokes, as senior theatre commander, for reasons then given, commuted the sentence to life imprisonment.

As I said before, Mr. Speaker, large numbers of Canadians are concerned about this matter, because it is something that is a sort of symbolic act; I refer to the possible release of Kurt Meyer. I understand that the national officers of the Canadian Legion have made representations in this connection. In a recent issue of the *Globe and Mail* I read the following:

The executive of the dominion command of the Canadian Corps Association said last night in a resolution that the release of Kurt Meyer, German war criminal, "under any circumstances," would be a direct insult to present or past members of the Canadian armed forces.

In my own district I know that some of the largest branches have recently had meetings on this question and have forwarded resolutions to our provincial command urging that they ask for a further and immediate investigation into this case. In addition to that, trade unions, women's organizations and a large number of individuals have written to members of this house expressing their opinions in this case. It is obvious, Mr. Speaker, that there has been some continuous effort to release Meyer. I quote briefly from the *Gazette* of November 30, which has an article entitled "Meyer All but Freed says Ex-Nazi's Journal". The article was by Douglas How; and incidentally, Douglas How is a reliable Canadian Press correspondent. The article reads as follows:

A new German monthly paper, published by former S.S. (elite guard) troops, said today Kurt Meyer came within a hair's breadth of being released by Canada this year.

In its first issue, the paper says Meyer—a major-general in Hitler's S.S. during the war wrote his wife from Dorchester, N.B., penitentiary last March that he expected to be released soon.

It says further that an Aurich lawyer named Schatt almost managed to get Meyer out of prison this year "but there are circles in Canada who know how to stop an innocent man from getting his freedom."

In addition, Mr. Speaker, it is obvious that anyone who read the press dispatch in the *Gazette* of November 26, forwarded by Mr. Douglas How, of his interview with Kurt Meyer, will realize that this man is completely unchanged. In my opinion he is an unregenerate nazi. On being questioned as to his opinion of Hitler, here is what he said. He was asked:

Do you still think Hitler was right?

His answer was:

The past is dead. History is its own answer about that. I live for the future.

He completely avoids the issue. Then he goes on to give answers which indicate that he is still a German general, that he still looks at life as a military man and has that point of view. He mentions that the western powers cannot afford to have a soft youth, and so on. In addition to that, friends of mine tell me that the troops who were guarding him when he was a prisoner in Germany, prior to his coming to Canada in 1945, had discussions with him and found that he was a fanatical nazi; that when they tried to talk with him and discuss the foolishness of the nazi faith he would say, "Oh, the thing is that you men never met the fuehrer." In releasing a man such as Kurt Meyer, Mr. Speaker, I think it is quite obvious that we would not be releasing a man who would make any contribution, in the moral or the spiritual sense, to the defence of democracy.

I am not going to speak at much greater length. In Canadian papers there are many editorials in connection with this case, and I am just going to quote briefly from the one in the *Citizen* of November 29, because I think that brief editorial expresses the general Canadian attitude extremely well indeed. It is entitled "The Kurt Meyer Riddle" and reads as follows:

Even before the government quietly transferred the nazi war criminal, Kurt Meyer, from a Canadian prison to one in the British zone of western Germany, there had been doubts as to its ultimate intentions respecting this man. Was it or was it not intended that he should be released in order to serve in a western European army? This question has never been answered.

Before proceeding further with the reading of the editorial I should like to draw to the attention of the house the fact that within two or three years of the conclusion of the first world war the German general staff had a dominant influence in the Weimar republic. But we must not forget that on the last visit to Ottawa of the late Field Marshal Wavell he said in a public address: In my opinion the greatest danger to peace in the future is a reorganized German general staff. In any efforts to utilize the democratic forces in Germany that are willing to assist us in the defence of freedom, I trust that we do not on any account support any proposals or any actions that would tend to the rebuilding of the German general staff.

I continue reading the editorial:

On October 22, Mr. Claxton assured the House of Commons that Meyer continued to be "under the control and jurisdiction of Canada," that he could not be released without the express authority of the Canadian government. The minister, however, did not deny outright the suggestion that the former nazi general might be allowed to take a command in a European army. All that Mr. Claxton said then was that "it would be impossible for him to do so, as he is still serving the sentence of life imprisonment imposed upon him."

It now transpires that Meyer has been allowed out of prison to visit his family. A British—not Canadian—source says that this temporary release was granted on "compassionate grounds." The government has promised to find out and tell

parliament what are the regulations in this British prison as to treatment of inmates. When the government does this, it might answer the question it has so long evaded: Does it intend to release Meyer?

Until this question is answered, many Canadians will continue to fear that a commander of SS troops found responsible for the murder of Canadian prisoners is to be given his freedom. That such a man should be set free to serve in NATO forces is an intolerable proposition to almost everyone except the communists, who would be handed a choice piece of anti-democratic propaganda.

The government can settle this uncertainty quite easily. All that is required is a statement that under no circumstances will Meyer be released.

The release of Kurt Meyer for use in a future German army is, I am sure, in the opinion of the majority of the Canadian people completely morally indefensible. On that basis, if Hitler were alive we could seek his support as an ally in the defence of freedom. Just let us realize, Mr. Speaker, that if this man were released and assumed command of a German division, under the terms of military law Canadian troops serving in Germany would be required to salute this German war criminal when passing him on the street. I am sure there are a great number of Canadians who do not view that situation with any relish.

Mr. Speaker, in view of the circumstances and in view of the concern felt by the Canadian people, the release of Kurt Meyer would be an offence against the memory of our gallant dead. It would be an offence and an outrage against their sorrowing next of kin. It would show a complete lack of consideration of the efforts made and the fighting done by the veterans of this country in two great wars. It would mean the complete disregard of the opinion of the great majority of the Canadian people. His release would be a violation of our declared democratic principles and practices. As a policy it would have, psychologically, most unfortunate effects. It would affect the morale of the Canadian people. It would affect their confidence and faith in our democratic cause. In my opinion, Mr. Speaker—and I speak with some heat on this question—in the long run democracy and freedom can only be satisfactorily defended by people who believe in freedom. Public concern demands from the minister before this session ends a complete and frank statement concerning this whole question. Only that will allay the fears of the Canadian people at this time.

In conclusion I say that if we have faith in freedom's truth, let us prove it by our acts.

Mr. John Decore (Vegreville): I rise to make a few brief remarks in regard to the subamendment before the house. As a member coming from western Canada I appreciate the difficulty the farmers are facing today with regard to their grain. One of these difficulties is that a lot of the grain that has been threshed is stored on the farm, and the farmer is not able to sell it owing to lack of facilities. But that is not the only difficulty. In introducing his amendment to the main motion no doubt the hon. member for Assiniboia (Mr. Argue) had this in mind. But I say that, although a serious problem, it is not the main problem that faces the farmer in western Canada today. The farmer is western Canada has had similar difficulties in previous years. He has also had a lot of grain on hand, but through the facilities of our wheat board he has been able to sell his grain eventually. No doubt the same thing will happen at this time.

The main problem that faces the farmer in western Canada today is that, according to the last figures I have, in the province of Alberta some 230 million bushels of grain are still lying under the snow. In Saskatchewan there are some 90 million bushels of wheat and 14 per cent of the coarse grain; in Manitoba, which is probably the most fortunate province, there is about $8 million worth of grain under the snow. The province of Alberta is probably in the worst position. That applies to Saskatchewan as well. In these two provinces we have a lot of grain that has not been threshed. That is the condition with which the farmer is faced today. It is something that happened owing to the weather, conditions beyond his control. For that reason the subamendment is moved, and I shall read it once again:

This house regrets the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems.

That is the position in which we find ourselves today. We have had assurances from the members of the cabinet in the house from time to time, and I notice that according to the Winnipeg *Free Press* of December 1 the Minister of Trade and Commerce made a statement in Calgary before the Alberta wheat pool. This is what he said in part:

The minister in charge of grain marketing said at the annual meeting of the Alberta wheat pool he is prepared to recommend legislation for interim credit for farmers with unthreshed grain and those who, for one reason or another, have been unable to deliver their grain to country elevators.

When we have this statement, if it is the statement the minister made, certainly there is no reason why the hon. member for Assiniboia should express regret in this house in the amendment that is before us now. I know the hon. member for Assiniboia was

not very happy when the Minister of Trade and Commerce (Mr. Howe) went out west. No doubt some of my Social Credit friends from Alberta were not very happy when he went to Alberta.

Mr. Wylie: We have no worry.

Mr. Decore: The hon. member for Assiniboia was not very happy when the Minister of Trade and Commerce made this statement which I have just read; but the fact remains that this government is interested in the problems of the western farmers, and for that reason I am in favour of the subamendment.

Mr. Robert Fair (Battle River): When I came into the house this afternoon I intended to speak for a few minutes in support of the amendment moved by the hon. member for Assiniboia (Mr. Argue) on Monday, which reads as follows:

This house regrets, however, that Your Excellency's advisers have failed to make provision for the immediate payment to producers of 75 per cent of the initial price of farm stored grain.

I believe this amendment is quite sound, regardless of the fact that the hon. member for Humboldt (Mr. Hetland) says it is not possible to get an advance on tough grain. Advances have been given on tough grain before, can be given now and will be given again. Possibly that is one method of clearing his conscience. However, they will have some questions to answer later on.

I find that the mover of the subamendment is my neighbour to the east, just the meridian separating us, and the seconder happens to be immediately west; but I have to disagree with both in the interests of farmers in western Canada. The subamendment reads as follows:

This house regrets the serious difficulties encountered by the western farmers in harvesting their crops—

Let me pause there for a moment. A little help would be a whole lot better than a lot of sympathy. While the farmers in the west have had sympathy over the past number of years, since I came to the country and before, a little help would be much more appreciated. The amendment continues:

—and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby,—

In my opinion, Mr. Speaker, there is nothing whatever to commend there, because while they have been looking on, nothing, nothing, nothing has been done up to the present time. If anybody has any doubts about things being done up to the present time let him read in the Ottawa *Citizen* of yesterday an article under the heading: "U.K. wants wheat but none ready." This is by Frank Swanson, *Citizen* parliamentary writer, and it reads as follows:

Agriculture Minister Gardiner said last night that Britain would take more high grade wheat from Canada if Canada could provide it.

Just back from Europe and talks with British food officials, Mr. Gardiner said that the only thing that was preventing Canada selling more wheat to Britain was the lack here. With much of the 1951 crop lying in the fields of western Canada under snow, it's just not available now.

"At the present time, Britain is taking all the wheat she can get from us and is prepared to take more. But we have not got the supplies available to ship them. Britain wants the wheat right now, not next spring when the grain out in the fields should be available," he said.

While in Britain, Mr. Gardiner talked with Lord Woolton, lord president of the council, and with the new Conservative agriculture minister, Major Sir Thomas Lionel Dugdale. He also talked with Right Hon. Gwilym Lloyd George, new minister of food.

The U.K. needed food shipments generally, he said, and was particularly in need of more wheat products. But she was finding difficulty in finding the dollars to pay for more food.

The British food ministry last summer indicated the U.K. would be interested in making additional purchases of high grade wheat from this country, outside the international wheat agreement.

"The U.K. is still interested but we just haven't got the wheat to sell right now," he said in an interview.

May I comment on that and on the central part of the amendment which I read, Mr. Speaker. It is well known that for many months individuals and farm organizations in western Canada have been prodding the government, trying to get some action with respect to moving the crop out of the elevators in the west and into delivery position at the head of the lakes. Because of that I understand that the wheat board had had difficulty in getting sufficient grain to fulfil their commitments. Had the government been looking after the interests of the farmer I believe sufficient storage space would have been available in western Canada to take care of much of the crop that was held up and is still stored on the farms. At the present time we have millions of bushels of millable wheat needed by Great Britain remaining on the farms of western Canada. Because of the lack of space at the head of the lakes, the lack of box cars and of ships to move that grain, it is not in a position in which it can be delivered. So for the time being we are losing the sale of at least a portion of our wheat.

The amendment to the amendment continues:

—and is confident that effective measures will continue to be taken to help the farmers in meeting these problems.

I have pointed out that up to the present time no effective measures have been taken. Those of us in this group, the Social Crediters, cannot be true to our constituents by

supporting a do-nothing policy. In effect that is what government policy has been up to the present time. We have been told that the world needs food, and Canada has been asked to do its share in supplying that food. I feel the farmers of Canada have been doing everything possible in times of pressure to fulfil that requirement. But because of government policy there has been withheld from the farmers a proper share of the national income, proper prices for the things they produce, as well as allowances through tariffs and other means whereby they are charged exorbitant prices for the things they have to buy. If the farmers took the same position as many other occupational groups have taken they would go on strike. That, of course, is not the nature of farmers, and I am not for one moment advocating that they should do so. But had they taken the same stand as many other occupational groups we would not have the production we are having today. When conditions are made satisfactory for the farmers we can look for much greater production.

I do not think it is necessary for me to say much more at this time. I have already spoken twice in the debate on the address in reply. The high cost of living is another condition about which the government has not done much. The single thing they intended to do this session was to bring in legislation dealing with the prevention of price fixing by manufacturers and suppliers. Since that has now been referred to a committee and, so far as we can see, will not be dealt with at the present session, this government has not taken one single step to bring down the cost of living.

Some people are taking undue advantage of the situation. With the exception of the price of hot dogs which, I see, has been reduced to the extent of 5 cents from the 20 cents being charged, the prices in the restaurants on Sparks street are not coming down. To make up for that, perhaps, some of those restaurants are taking advantage of another gyp game by using tea bags time after time, so that the fourth or fifth user of a tea bag gets no colour whatsoever in the water put in the teapot.

In my opinion this represents a danger to the health of the people in this city. I am not sure whether the practice which I shall now describe is being followed in other places, but I have been told by people who have been supplied with these used tea bags that it is done down on Sparks street. It is customary for many people to stir the tea bag with a spoon, to dip the spoon into the teapot and stir the contents in an effort to get a little juice out of the tea bag. Then they eat ice cream or some other dessert, using the same spoon, and by that method they are in danger of contracting some disease from which a former user of the tea bag might have been suffering. I say the city health inspectors should act as they have on other occasions, and check some of these irregularities now taking place.

Some hon. Members: Oh, oh.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I hear groans, but I take it the government has to take full responsibility for those groans. I have only a few comments to make. It has been most interesting to note what has happened in the last three days, to look back for instance to what happened in this chamber on Monday evening when there was a sense of what, to the uninitiated like myself, looked like something approaching panic, if one could judge from the distressed action on the other side of the gangway. But now all is well because, apparently, they have found a funkhole, and they are now going to crawl into that and get out of their trouble.

I am not clear in my own mind just why this has happened. I cannot be sure whether it is because they do not know yet what the Minister of Trade and Commerce (Mr. Howe) actually did say when he was in Calgary and because nothing can be done until he comes back and tells them what he did say, so they will know what they are going to do.

That is one possible explanation. For myself, I might say that I was prepared to vote for the amendment of the hon. member for Assiniboia (Mr. Argue) because, as I understood it, what it was doing was to assist, by an advance, the farmers who are in great distress owing to what we usually call acts of God; and because I further understood that, if properly administered, there is no reason in the world why it should cost the public treasury one cent. They were going to receive an advance on their own assets, by reason of an overwhelming calamity which had befallen them. That seemed to me a reasonable thing to do, and I was prepared to vote for it.

As I say, I do not know just why the government has taken the attitude it has. But one thing I think should be very clear; no one should doubt what has happened, particularly in the west, and that, in spite of the honeyed phrases of the Minister of Public Works (Mr. Fournier). All that is being offered to the farmers in distress is some kind words. And, of course, if they could only be here and see how those kind words of the Minister of Public Works are offered, perhaps it would help them. Actually they are not here; they do not even hear those words uttered. They

are being left to face their own calamity without anything more substantial than those kind words.

That, of course, is subject to this, that when the Minister of Trade and Commerce does come back we may see something very different. Perhaps something may happen on Tuesday, after the event which is to take place on Monday, in which we are all interested. And there are two days left in this week, too. At any rate it may be that an explanation will be given when the Minister of Trade and Commerce comes back. We have had many things explained by him when he has come back from his various journeyings.

Meantime the situation is absurd. I offer no opinion about the regularity or otherwise of the amendment. It has been ruled in order, and therefore I have nothing further to say about it. All I can say is that, if it is according to the rules, then it does not seem to me to be in accordance with common sense or in accordance with the ideals of responsible government; because we are in the precise position where a genuine amendment is going to be superseded by one that is merely adding a lot of soft words for which the government's own supporters can vote.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it seems to me one hon. member who has just spoken has indicated that there is a much more important aspect to this discussion than emerges from the rather unique subamendment now before us. That subamendment, of course, simply repeats the expression of confidence which presumably would be contained in a vote in support of the address in reply, in any event.

As has already been indicated, this is not the proper time for any of us further to express our opinions as to the propriety of a subamendment of this kind. The hon. member for Vegreville (Mr. Decore) has just introduced into this discussion the circumstances under which the statement was made. That has some bearing on the purpose of the amendment that is before the house, which calls for some financial support to the distressed grain growers of western Canada, in the form of a declaration by this house that there should be paid to those grain growers a specified percentage of the value of their grain in advance. That is a clear declaration which, if the members of this house had supported it, would have called for action by this government during the present session.

To remove the opportunity for a clear expression of that sort a subamendment is now before us which merely says that everything is all right, that the government is doing everything that can be done and that in this situation we have continuing confidence that the government, which has done nothing about this situation, will continue to do nothing and all will be well. That is what it says. It is for that reason that I think we should examine what is behind this evidence to which the hon. member for Vegreville has referred.

The hon. member has suggested that one hon. member who spoke previously was not happy about the fact that the Minister of Trade and Commerce (Mr. Howe)—I do not know just in which capacity he was then speaking—was in Calgary last week. Presumably he was not making a political speech. In the minds of hon. members on the government side that may be a dangerous presumption, but nevertheless presumably he was not. He was speaking to the Alberta wheat pool and there was a Canadian Press dispatch of that speech which so far has not been contradicted by any member of the government. I presume that is the same organization which carried a dispatch from Rotterdam not very long ago which resulted in some discussion as to what another minister of the government had said. We all know that the Canadian Press is a reliable organization for the purpose of gathering news in different parts of Canada and the world and presenting it through the channels of the press of this country.

The hon. member for Vegreville has conveyed the impression that the Minister of Trade and Commerce was simply giving one of those reassuring statements of his. I gather that what he implies is that no one was expected to take it seriously. The unfortunate thing is that the Minister of Trade and Commerce is not in the happy position, even if members supporting the government may think he is, of having his statements taken in that way. The Minister of Trade and Commerce is a responsible minister—I am using the word "responsible" in the sense of responsible government—who is responsible to this house. When he makes a statement as to what is going to be done in regard to legislation the members of this house and the people of Canada have the right to assume that he is accepting the responsibility which lies at the foundation of our parliamentary system. For that reason it is interesting to see what the Canadian Press has to say in its dispatch of December 1 about what the Minister of Trade and Commerce said in Calgary to the Alberta wheat pool. I quote:

> Rt. Hon. C. D. Howe, trade minister, said Friday that financial aid for distressed prairie grain growers is in prospect for early in the new year.

Then the report goes on to extend the remarks, and continues:

> Mr. Howe said the legislation would be introduced at the current session of parliament in the expectation the plan would be in operation by the early part of January.

Those words are not uncertain; they are not vague; this was not a pleasant prospect of something that might come. The legislation was to be introduced during the current session for the purpose of meeting this situation.

Mr. Decore: Would the leader of the opposition read the report in the Winnipeg *Free Press* which contains the statement that the minister was going to recommend to the government that certain steps be taken?

Mr. Drew: I am quoting the Winnipeg *Free Press*. I might point out why it is so difficult to know exactly in which capacity the minister is acting at any given moment. The next paragraph covers the point referred to by the hon. member for Vegreville. This reads:

> The minister, in charge of grain marketing—

That is a new capacity.

> —said at the annual meeting of the Alberta wheat pool he is prepared to recommend legislation for interim credit for farmers with unthreshed grain and those who, for one reason or another, have been unable to deliver their grain to country elevators.

A minister of the government is not in position to state that he is going to recommend something unless it is already a matter of government policy. A minister cannot go around saying that he would like to have something done and will try to have it done. If that policy were once followed we would have nothing but chaos. Ministers of the crown must operate under the principle of cabinet solidarity. When a minister starts talking about legislation that is going to be introduced, or says he will recommend the adoption of certain measures, that presumes it is a government decision which he is announcing. The people of western Canada had every reason last Friday to believe that the Minister of Trade and Commerce was announcing a government decision on policy.

It is in the face of that fact that we must read the statement made by the Prime Minister (Mr. St. Laurent) on December 3 in regard to this very statement, and I quote from page 1514 of *Hansard:*

> I have already told the hon. member that we were having the matter investigated, and that just as soon as we had come to a decision I would hasten to apprise the house of it.

I would remind hon. members that not very long ago I asked the Prime Minister if any new legislation would be introduced during this session, and I was assured that all the important legislation that was contemplated was already before the house. Here we have the Prime Minister saying no decision has been made, and we have the Minister of Trade and Commerce, in charge of grain marketing, informing the farmers of western Canada, according to this press report, that they may expect legislation during this session so that payments can be made in January.

Parliamentary responsibility and our system of government are not tawdry things to be played with in a political campaign in this country. It is bad enough to have a minister going abroad and announcing policies which he now says have never been decided upon, but it is a still greater breach of parliamentary responsibility for a minister charged with particular responsibility over a given matter to tell the people in a part of Canada that they can expect legislation during this session when the government itself has not yet considered that very subject.

This house is entitled to an explanation as to why that should be done. Since the hon. member for Vegreville has raised this subject in relation to the democratic rights to be exercised in Calgary West next Monday, may I hope that at that time the voters—

Some hon. Members: Oh, oh.

Mr. Drew: —may I hope that the voters of Calgary West will bear in mind next Monday the very clear implication of these two statements, namely, that they have no reason to rely upon the statement made by the Minister of Trade and Commerce (Mr. Howe), and that the hon. member for Vegreville, who happens to come from Alberta, suggests to all of us that we should attach no importance to it, that it was just a pure expression of hope so far as the minister was concerned. May I say to those hon. members who have greeted the reference to the by-election in Calgary West next Monday with such laughter that I trust their laughter will be as loud on Monday night.

Mr. Daniel McIvor (Fort William): I should like to congratulate the Minister of Trade and Commerce (Mr. Howe).

An hon. Member: The old story.

An hon. Member: Forget it.

Mr. McIvor: In view of the attention that is paid to him when he is not in the house he must be of first importance.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, I rise to take part in the debate on the subamendment because I am quite certain that the people of my riding, particularly the farmers, do not like to think there are people in other parts of the dominion

who feel that they are not paying a just and rightful part of their earnings to the income tax department. I am quite certain that the farmers of my riding are honourable people and that they have no intention of defrauding the government out of the money that is used to provide the necessary protection for them and for the general operation of the government. On Monday I sat in the house and listened to the remarks made by the hon. member for Assiniboia (Mr. Argue). He said, as reported at page 1540 of *Hansard*:

> I now come to the matter of farm income tax and the unfair and almost scandalous manner in which, through the Department of National Revenue, the government has collected very high income tax from farmers in certain provinces, but has failed almost completely to collect income tax from the farmers in certain other provinces.

At page 1541 he said:

> The Minister of National Revenue cannot give a good reason why the farmers of Manitoba should pay two and a half times as much income tax as that paid by the farmers of Ontario, when the Manitoba farmer received a smaller net income for the year. There is no answer to that statement.

The farmers in my riding feel it is the responsibility of every person to pay the correct amount of income tax. They believe it is their responsibility, if they earn sufficient to pay income tax, to fill out the forms which set out their earnings, and pay the necessary tax. If they do not do so and they are caught, then they are guilty of an offence and are prosecuted. I suggest to the hon. member for Assiniboia that the farmers of my area are paying their correct share of income tax. He comes from the west and possibly does not know that the average size of farms in the section of the province that I represent is 100 acres, that each 100-acre farm is fenced, that in most cases they are broken down into 10-acre fields, and that each 10-acre field is fenced. I suggest that the cost of maintenance of fencing is something with which he has very little experience.

Each hundred acres has a barn and in most cases there is stock such as hogs, cattle and sheep. It is necessary to have stables, and normal wear and tear apparently is an item with which he has very little experience. Because of the nature of our farming we have to have shelter for our farm implements. We have to house and protect the various machines necessary for mixed farming. The cost of maintaining a farm in eastern Canada is much greater than in western Canada. With that in mind I can very well account for the difference in the income tax paid by the farmers of Ontario compared with that paid by farmers of western Canada. Fortunately, and correctly so, the government has seen fit to allow the farmers in Ontario to deduct the replacement cost of usual wear and tear before income tax is paid. In doing so the farmer of eastern Canada has less left for himself than the farmer of western Canada.

But this is not my main reason for speaking now. I rose to speak particularly on a matter of principle. The socialists to my left always adopt the point of view that it is wise to separate before attacking. The hon. member for Assiniboia attacks the government on their policy for taking care of the hardships that have occurred in the west, and the purpose of the subamendment is to take care of the amendment moved by him. I am very proud that two members from western Canada moved the subamendment. The hon. member for Assiniboia in planning his attack said: Let us divide these people; let us get the west against the east; let us arouse animosity between the farmers of western Canada and those of eastern Canada; let us separate them, and then we will take them on one group at a time. That is the usual procedure in any communistic country. I resent very much that they should have adopted such a course. I do not think it is a good thing. When a member from one section of the country tries to create the feeling that his people pay all the taxes and that we do not pay our share I say to everyone that these communist tactics are not good for the country.

Mr. Sinnott: They will resort to anything.

Mr. Hosking: It is a very bad thing for people to agitate to set labour against management. It is a bad thing for people to agitate to set management against labour. It is a bad thing to agitate to set farmers against the labouring class. These are all bad things, but it is even worse when they try to separate farmers in the west and the east, and set one group against the other. This is purely a matter of principle. I am opposed to that type of thing. I do not think it is a good thing for Canada. I should like to say that I am very glad we have in the Minister of Trade and Commerce (Mr. Howe) a man who can appreciate the hardships caused by the early snowfall in the west, and I know he will recommend that certain things within the powers of the government be done to correct the situation.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I had not intended to take part in this debate until the hon. member for The Battlefords (Mr. Bater), seconded by the hon. member for Vegreville (Mr. Decore), moved an amendment to the amendment. I have had an opportunity to read the subamendment, and

I feel called upon to say a word or two about it. The leader of the opposition (Mr. Drew) referred to the statement made by the Minister of Trade and Commerce (Mr. Howe) in Calgary the other day. While we do not like to be always bringing forward the political angle in these statements, I feel compelled to put forth my views on the matter because the statement is extremely significant. We have been riding the Prime Minister (Mr. St. Laurent) and the government for permitting cabinet ministers to make statements which eventually cause considerable confusion. I do not blame the Minister of Trade and Commerce particularly for making such a statement during the Calgary West by-election, because I suppose anyone taking part in an election of that kind desires to make the best of every possible opportunity.

Nevertheless there is a principle involved, and I think it might be as well for me to explain just what the situation is in connection with the Calgary West by-election. I believe it is that situation which called forth this encouraging statement by the minister. The Calgary West by-election is rather important in that there are three candidates running; one is a Liberal, one a Conservative and one a Social Crediter. I believe all three are fairly good men, and I am not saying anything derogatory about any of them. The Liberal candidate is a retired school superintendent in the city of Calgary proper, and I believe he is well respected by the citizens of Calgary whom he has served for a good many years. But the constituency of Calgary West is not confined to the city of Calgary. It runs into the rural areas and into the mountainous country at least as far west as Banff national park, taking in the town of Banff. It takes in a good deal of the foothills country and a good section of the wheat growing areas west of Calgary. While the Liberal candidate may have an appeal to the people of Calgary proper, I do not suppose the farmers in Calgary West were particularly fascinated by the prospect of having to vote for a retired school superintendent. The Minister of Trade and Commerce, therefore, had to make the best of it.

Mr. Decore: Will the hon. member permit a question?

Mr. Wylie: You have made your speech.

Mr. Decore: Is the hon. member aware that the minister spoke at the annual convention of the Alberta wheat pool, and not to the electorate of Calgary?

Mr. Hansell: I am not aware of that fact at all.

Mr. Decore: Then you should be.

[Mr. Hansell.]

Mr. Hansell: My hon. friend is wrong when he assumes that. He may have been—

Mr. Decore: On a question of privilege, Mr. Speaker, according to the newspaper reports the minister spoke at the annual meeting.

Mr. Wylie: You read that once.

Mr. Hansell: The minister was speaking to the members of the wheat pool in just the same fashion as the hon. member for Vegreville (Mr. Decore) speaks to this house. It may take a little while for that to sink into my hon. friend's mind. Every speech the hon. member makes in this house he makes for the benefit of the people who live in the Vegreville constituency.

Some hon. Members: Why not?

Mr. Hansell: When the Minister of Trade and Commerce spoke to the wheat pool, he was speaking on behalf of the Liberal candidate in Calgary West, make no mistake about that. It was for that reason that he made some reference to the western farmer. Might I speak to this particular subamendment, Mr. Speaker. Let me read the wording of it:

> That all the words in the amendment after the word "regrets" be struck out, and the following substituted therefor:
>
> "the serious difficulties encountered by the western farmers in harvesting their crops,—

No one could have any objection to that part of the amendment and I certainly could support it. Then the amendment continues:

> —and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby,—

With that part of the amendment I cannot agree, because the government has not been giving continuing attention to the problems. If they have, they have been on the outside looking through the farm window at the plight of the farmer who is on the inside. As the hon. member for Battle River (Mr. Fair) said, they are giving the farmer plenty of sympathy; but he cannot live on sympathy. His Excellency's advisers continue to stay on the outside and look in at the farmer's plight. The amendment might just as well read that way; it commends Your Excellency's advisers for standing on the outside and sympathizing with the farmer on the inside.

Then the amendment continues:

> —and is confident that effective measures will continue—

How can something continue if it does not exist? The effective measures do not exist, and that is why the hon. member for Assiniboia (Mr. Argue) put his amendment. He wants some effective measures to be adopted; we all want effective measures to be adopted.

How can we vote for the continuance of something that does not exist? When the hon. member for The Battlefords (Mr. Bater) and the hon. member for Vegreville (Mr. Decore) spoke to this subamendment they failed to tell the house of a single effective measure that exists today. You cannot find it in their speeches.

I close on that particular point and suggest to you, Mr. Speaker, that I cannot see how anyone with any perception and appreciation of amendments can vote for an amendment like this one. The hon. member for Wellington South (Mr. Hosking), who spoke a little while ago, said that this amendment was designed to split the farmers into groups. Nothing of the kind. What it may do—and I do not suppose it is designed to do it—is split the members of parliament from the west into groups, but that is another thing altogether. It does not split the farmers into groups, for there is not a farmer in the country who would not vote for the amendment offered by the hon. member for Assiniboia. The fact of the matter is that every member of parliament would be required to vote as to whether or not he wants the farmers of the west to receive an advance payment on their stored grain. In order to avoid that necessity, my hon. friends of course come forward with a nebulous and meaningless subamendment. So far as we who come from western Canada are concerned, we are not going to vote for anything as nebulous as this subamendment.

Mr. P. E. Wright (Melfort): Mr. Speaker, I rise to deal briefly with an inference which was raised by the hon. member for Humboldt (Mr. Hetland) when he spoke with regard to the amendment moved by the hon. member for Assiniboia. He indicated that if the amendment passed, any moneys advanced by the government for grain stored on the farm would become a charge against wheat board accounts, and any losses therefrom would be borne by the wheat growers as a whole. That inference cannot be drawn from the amendment at all.

Mr. Hetland: Mr. Speaker, I did not say that. I said that expenses in connection with inspection would be charged to the wheat board.

Mr. Wright: I will accept the hon. member's statement that he referred to expenses with regard to inspection. The amendment does not state that at all. The amendment asks His Excellency's advisers to give consideration to making an advance of 75 per cent of the value of farm stored grain.

Mr. Hetland: It does not go far enough. How about the man with grain in the swath?

Mr. Wright: It states nothing about who shall take care of the expenses incurred in doing that; and it certainly was not the intention of the mover of this amendment that those expenses should be charged against the farmers through the wheat board. When the Minister of Trade and Commerce (Mr. Howe) comes back to this house, I hope any legislation he may present to take care of the serious situation which exists in the west will not be along that line, and that it will not make provision for an advance to the farmers on wheat that has not been threshed or that is under the snow in western Canada, which advance will be made by the wheat board, and that any losses which may be incurred as a result of that advance be a charge against the wheat board. If that is the type of legislation he intends to introduce I can assure the government that it will be opposed by those of us on this side of the house.

I know the hon. member for The Battlefords (Mr. Bater) quite well. He is a practical farmer. When he introduced this subamendment I am sure he would have much preferred to introduce one which would add something to the amendment rather than one which merely expresses a pious hope. I am afraid he was in the unfortunate position where he could not offer any subamendment which would be an addition. The Minister of Trade and Commerce has not yet returned. Until he does, and until he informs the government what the government's policy is going to be with regard to any further advances, the government members find themselves in the position that they cannot offer anything in the way of substantial help to the farmers in western Canada. Apparently this is a one-man government.

We did not bring in this amendment with the idea that it met all the problems this year in western Canada. We introduced this amendment for one purpose, namely to get provision made for an advance on farm stored grain. That is something we in western Canada have been asking for, and which farm organizations have been asking for many years. A vote for the subamendment is a vote against the policy the farmers of western Canada have been asking for over a number of years now. That is the effect of it. It is voting for some pious hope rather than voting for something concrete, something we have been asking for over a number of years, which is quite another matter. When the amendment was introduced I stated that I thought it was good but that to meet the situation which existed this year some additional assistance was necessary. I

recognized the fact that some additional assistance was necessary. Because the Minister of Trade and Commerce had indicated that the government were considering something in the way of further assistance, we did not extend our amendment. As reported at page 1546 of *Hansard* I stated:

> I hope the government will give serious consideration to the amendment moved by the hon. member for Assiniboia. As I said before, I do not think it goes far enough to meet the needs of all sections of the west at this time, but it is a step in the right direction. It is a good piece of permanent legislation which we should have on our statute books.

That is all we were offering, a sound amendment which would instruct the government to place on our statute books legislation which would make it possible for an advance to be made to farmers on grain stored on the farm. I hope western members will oppose the subamendment offered by the hon. member for The Battlefords because, in voting for it, they are voting against the best interests of the farmers in western Canada; they are voting against something for which the farmers in western Canada have been asking consistently over the last number of years, namely an advance on farm stored grain.

The Acting Speaker (Mr. Beaudoin): Is the house ready for the question?

Some hon. Members: Question.

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

YEAS

Messrs:

Anderson
Arsenault
Ashbourne
Balcom
Bater
Beaudoin
Benidickson
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bradette
Bradley
Breithaupt
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Campney
Cannon
Carroll
Carter
Cauchon
Chevrier
Claxton
Cleaver
Cloutier
Corry
Cote (Matapedia-Matane)
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Crestohl
Croll
Cruickshank
Dechene
Decore
Demers
Dewar
Dickey
Dion
Dumas
Eudes
Eyre
Ferrie
Follwell
Fournier (Hull)
Fulford
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Hunter
James
Jeffery
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Lefrancois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
Macnaughton
McCann
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Maltais
Martin
Masse
Mayhew
Monette
Murray (Cariboo)
Murray (Oxford)
Mutch
Nadon
Parent
Picard
Pinard
Power
Proudfoot
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Rinfret
Roberge
Robertson
Robinson
Rochefort
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Ward
Warren
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood—148.

NAYS

Messrs:

Argue
Balcer
Beyerstein
Black (Cumberland)
Blackmore
Blair
Browne (St. John's West)
Bryce
Casselman
Charlton
Churchill
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Fraser
Gillis
Green
Hansell
Hees
Herridge
Hodgson
Jones
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Noseworthy
Nowlan
Pouliot
Quelch
Thatcher
Tustin
Wright
Wylie—41.

Mr. Graydon: I was paired with the Secretary of State for External Affairs (Mr. Pearson). Had I voted I would have voted against the amendment to the amendment.

Mr. Ross (Souris): I was paired with the right hon. member for Melville (Mr. Gardiner). Had I voted I would have voted against the amendment to the amendment.

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I voted I would have voted against the amendment to the amendment.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order. I believe some other members would like to declare their pairs.

Mr. Cardiff: I was paired. Had I voted I would have voted against the amendment to the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have voted against the amendment to the amendment.

Some hon. Members: Question.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I rise for the purpose of moving another amendment—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and it will not have the paradoxical result that followed the amendment of this afternoon moved by the hon. member for The Battlefords (Mr. Bater). I intend to give this house an opportunity to vote disapproval of the excessive, unwarranted and unjustifiable high taxation that today rests upon the Canadian people. I point out, sir, that the predictions of the Minister of Finance (Mr. Abbott) made seven months ago, that the surplus of revenue over expenditure would be $30 million in one year, has been multiplied twenty times or to the extent of $604 million in seven months, more than is needed for the purposes of civil expenditures and defence.

No Canadian worthy of the name—

Mr. Knowles: May I rise to a point of order. I gather, from what the hon. member for Lake Centre (Mr. Diefenbaker) is saying, that he is going to move another amendment which will deal with taxation. Is it not so that we are not yet back to the main motion?

Mr. Diefenbaker: I understood we were.

Mr. Knowles: We now have before us the amendment as amended, on which the vote has not yet been taken.

An hon. Member: That is right.

Mr. Knowles: The amendment as amended has not yet been put to the house.

Mr. Speaker: The next question before the house will be on the amendment as amended.

Mr. Blackmore: Mr. Speaker, I am speaking on the amendment as amended.

Mr. Diefenbaker: I believe I had the floor.

Mr. Speaker: The hon. member for Lake Centre has the floor. The motion is debatable and he has the right to debate it without at this time moving an amendment.

Mr. Diefenbaker: I was pointing out that no Canadian worthy of the name would object to paying a fair share of the taxes necessary to run this country, but that what Canadians are objecting to today is that there is to be no baby budget and no reduction of taxation at this session of parliament. The cost of living continues to rise; the latest available index indicates a further increase in the cost of living, induced in part by the fact that in his estimate last April the Minister of Finance (Mr. Abbott) made one of the most serious errors ever made in the history of this country.

As a consequence of that guess extra taxation was imposed. We in His Majesty's loyal opposition pointed out that such extra taxation was unnecessary in order to meet the costs of defence and the ordinary costs of government; but the government, with its all-powerful majority, brought in new taxes and increased the sales tax by 25 per cent and the income tax by 20 per cent over and above what had been paid in 1950. The Canadian people have been taken in to the extent of $604 million in the last seven months, or $45 per head.

On motion of Mr. Diefenbaker the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up the two resolutions concerning the St. Lawrence seaway. If we could have unanimous consent the Minister of Transport would like to proceed with the bill ratifying the agreement between the government of Canada and the government of Ontario which was tabled by the Prime Minister on Friday afternoon. Then we would be ready to proceed with the St. Lawrence seaway bill on Friday. After that we would take up the resolution to amend the Dominion Elections Act, Bill No. 18, to provide for the establishment of an agricultural products board, and Bill No. 8, to amend the North Fraser Harbour Commissioners Act.

At 6.15 p.m. the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Thursday, December 6, 1951

The house met at 2.30 p.m.

HOUSE OF COMMONS

CONGRATULATIONS TO MR. CASSELMAN, MR. WARD AND MR. HARRIS (DANFORTH) ON THIRTIETH ANNIVERSARY OF ELECTION TO PARLIAMENT

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I know I shall be speaking for all hon. members on both sides of the house in expressing admiration for those beautiful flowers on the desk of the hon. member for Grenville-Dundas (Mr. Casselman) and in extending to him our warmest congratulations on this the thirtieth anniversary of his first election to the House of Commons. During a great part of that time, and during the whole of the time that it has been my privilege to be in the house, the hon. member has served as the whip of his party. He has done so in a manner and with a courtesy that has been helpful in the conduct of the business of the house. I know that we all wish him many more years of useful public service.

Another hon. member, the hon. member for Dauphin (Mr. Ward), was also elected to this house for the first time thirty years ago. I am sure that, though it may for some of the members of the house have been the result of an event that was not entirely pleasing to them, we were all glad to welcome him back to this house. I am sure that to him also all hon. members would wish many more years of useful public service.

The third member of the house who unfortunately is prevented by indisposition from being here today but who was elected at the same time and who has been over the thirty years a constant attendant in the house is the hon. member for Danforth (Mr. Harris). I am sure we regret that he is not here today so that we might have the opportunity of extending to him personally our congratulations and good wishes. I think all hon. members would agree with me, Mr. Speaker, in asking you to inform the hon. member that we are thinking of him today and that we are all extending to him our very best wishes.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it is a pleasant thing to be able to join in felicitations of this kind. Naturally I join with the Prime Minister in the good wishes he has extended not only to the members who are present but to the hon. member for Danforth who is unable to be here. I wish particularly to express my warm good wishes to the member of our party who sits behind me and whose desk is today decorated with these beautiful flowers to which the Prime Minister has referred. May I say that it is an impressive thing to be able to look back over thirty years and to realize that this still young-looking member of the House of Commons—not only young-looking, but, as years go in the political life of this country, young in fact and young in everything he does as well—has been here so long. May I say it is a great pleasure to be able to record the fact that since he was elected thirty years ago today he has never been defeated in his own constituency. The only time he has not sat in this house during those years was when he resigned his seat to make way for a very great Canadian who temporarily represented that constituency.

In addition to the fact that I join in the expressions of felicitation to him as a member of the house, I might add there is naturally the association in the same political party, and there is also a long personal friendship. And may I confess that perhaps there is also a special interest in the fact that he entered the House of Commons shortly after the first world war when he belonged to that very special branch of military service, the Canadian artillery. Having served with the 10th siege battery with distinction he carried forward into the years of peace the same sense of public service that had carried him outside of Canada at that time. I join with the Prime Minister (Mr. St. Laurent) in wishing him many happy years ahead of service to the public and in the association of the friends that he has made here in this House of Commons.

I regret very much that the hon. member for Danforth (Mr. Harris) is not here similarly to receive the friendly expressions from his associates on both sides of the house. He has continuously represented a Toronto constituency throughout all those years, and at all times has been a faithful public servant in everything that these words mean. I know that everyone here will regret the fact that through indisposition he is unable to be with us, but we will certainly all wish him good health and many years of public service here

in the House of Commons and in the other capacities where he has served so well. I would like to include in that a reference to the kind of public service which so many men who are members of parliament give in other fields. For scores of years and longer to come the name of Joe Harris will be remembered in Toronto because of a very large and efficient hospital which, to a very considerable extent, has been the result of his untiring effort and activity. It is in things of that kind outside of the House of Commons that so many members of this house do serve their public in addition to their ordinary capacity as members of parliament.

May I further add my good wishes to the hon. member for Dauphin (Mr. Ward). In the very nature of the association it has not been my privilege to know him as well as the other two members whom I have mentioned; but he has carried with him throughout the years the friendship of those who have known him, and I join with the Prime Minister in wishing him also through the years ahead health, happiness and the enjoyment of his years of service.

Mr. Angus MacInnis (Vancouver East): I should like to associate this group with what the Prime Minister and the leader of the opposition have said in congratulating these three remaining members of the 1921 general election. They are members who have been engaged almost continuously since that time in the work and in the life of this parliament. We wish them many more useful years in this house.

Mr. J. H. Blackmore (Lethbridge): It is the desire of the members of the Social Credit group to be associated with the kind words, and well earned words of praise, which have already been offered in recognition of the thirtieth anniversary of the three hon. members.

Mr. A. C. Casselman (Grenville-Dundas): Mr. Speaker, as one whose duties as whip for approximately the last twenty years of this parliament have curtailed the opportunities to express views in the house, I know I will find it most difficult to express the thoughts that have come to my mind in the last few minutes.

It was my privilege in my early years to be given the confidence of the electorate in my district, a confidence which has been continuous over the last three decades. I think you would expect me to express my deepest thanks to the electorate of Grenville-Dundas for their kindness in doing so. This I now do.

During that period of time as a member of this house, I have seen many changes, advances which have been to a large degree advantageous not only to my constituents but to the people of Canada as a whole.

Over this period of time it has been my privilege to make the acquaintance and, I hope, gain the friendship, of many members from all parts of Canada. That I consider one of my most precious possessions. I sincerely hope that they feel towards me the way I feel towards them. To have been associated with so many people of such divergent views has, I trust, impressed me in such a way that I bear ill will to no one.

I am very sorry that my friend the hon. member for Danforth (Mr. Harris) is not here today. I am delighted to know that the hon. member for Dauphin (Mr. Ward) is here today. I know that he needs sympathy, but possibly not quite as much as I do. I take this opportunity to express to the Prime Minister, to my leader, to the leader of the C.C.F. party for the time being, the hon. member for Vancouver East, and to the hon. member for Lethbridge my thanks for the kind words which they have uttered with respect to me.

I trust that, having lost twenty minutes already in the business of the house as a result of the fact that I have been here a long time, the house will be able to get down and proceed with the urgent business that is before it.

COMBINES LEGISLATION

PRIVILEGE, MR. BEAUDRY—REFERENCE TO REPORT IN "GLOBE AND MAIL" OF DECEMBER 6

Mr. Roland Beaudry (St. James): Mr. Speaker, on a question of privilege, my attention has been drawn to a news item in today's *Globe and Mail*. Referring to yesterday's sittings of the combines committee the article says in part:

> Throughout today's committee divisions Mr. Beaudry and Mr. Murray bolted the government ranks and consistently voted with the minority group—

I say that it requires a phenomenal amount of imagination to construe as "bolting" my affirmative vote on a motion moved by myself on a question of procedure. I have never bolted the government ranks, and I am reasonably sure that the dictates of my heart and of my reason will make me live and die a liberal.

GRAIN

REFERENCE TO REPORTED REMARKS OF MINISTER OF TRADE AND COMMERCE IN WINNIPEG "FREE PRESS"

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. On Monday last a question was raised by the hon. member for

Assiniboia (Mr. Argue) in reference to a statement which had been made in regard to legislation that was to be introduced in this house. I do believe that this is something that should be definitely placed before the house, in view of the stage that this session has now reached and in view of the very positive statements contained in a Canadian Press dispatch of December 1 from Calgary, which was referred to in this house yesterday during a debate. I would point out that the Canadian Press dispatch, to which I refer, in addition to indicating that the Minister of Trade and Commerce (Mr. Howe) was prepared to recommend certain legislation, contained statements of a positive nature which must have left that impression upon the minds of those who read the statement.

I would quote the positive statement contained in the Canadian Press dispatch of December 1 from Calgary, which says:

> Right Hon. C. D. Howe, trade minister, said Friday that financial aid for distressed prairie grain growers is in prospect for early in the new year.

And then later on, after indicating his own willingness to place this before the house, and to support it, the report goes on to say:

> Mr. Howe said the legislation would be introduced at the current session of parliament in the expectation the plan would be in operation by the early part of January.

The question of privilege is this: If that press report is correct, then the minister responsible for the handling of grain has stated there would be legislation during this session which will provide payments to the farmers in January. If that is correct, then naturally the farmers in making their arrangements, in those distressed areas where harvesting has been seriously affected by the weather, would wish to know. If that is not a statement of policy and if it does not represent the government's intention, then at the earliest possible date they also should know it. In addition to that, since what is reported does not constitute a statement of policy by that minister in the house, and as the Prime Minister (Mr. St. Laurent) has had an opportunity to give the matter further consideration, would he inform us as to what the exact position of the government is?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the position of the government is that it is never responsible for newspaper reports. The Minister of Trade and Commerce has said on several occasions in this house that this matter was under consideration, and that there would be an announcement of the measures that the government might find it appropriate to recommend for the relief of those who, because of circumstances, were prevented from deriving immediate advances or benefits from their expected crop.

That is still the situation. And, although I have no right to divulge what goes on in council meetings, I can say the matter has been considered—on the latest occasion this morning. In the circumstances, and because of the information that the Minister of Trade and Commerce is expected to bring back tomorrow morning, we did feel that we wished to have a further conference with him, and I did not put on the order paper this afternoon the notice of a resolution that had been prepared. One aspect of the matter under consideration has been as to whether or not legislation was required to deal with the situation.

The Minister of Agriculture (Mr. Gardiner) was in the west a while ago, just before he left for Rome, and had interviews with many of those representing large sections of the grain growers; and the Minister of Trade and Commerce has met the representatives of the grain growers at Calgary, at Edmonton and in Winnipeg, and has canvassed the situation. We expect it will now be possible, within the next two or three days, to come to a conclusion as to whether or not the matter can be dealt with without legislation, or if in fact it does require legislation. I am inclined to think it will require legislation, no matter what form the emergency assistance takes. But that is a matter upon which I would not wish to make a definite pronouncement at this time.

I saw the suggestion somewhere that there had been an undertaking that there would be no further legislation. That may have been made, in general terms. But I think it had been made clear to the house, from the first time the question arose, that the government was studying the situation and would determine what recommendation to make to assist in dealing with it in view of the fact that it has arisen out of climatic and other unavoidable circumstances.

Mr. Drew: I recognize of course that any statement that there will be no further legislation is always subject to events that may occur. I would point out, however, that this has been under consideration for some time. I do point out further that if the Prime Minister's words are to be taken as an indication that something is to be done along the lines mentioned, then once again we are confronted with the fact that a statement of policy has been made outside the house, instead of being presented in the usual way.

Mr. St. Laurent: I have read the clippings from the papers in Calgary and Edmonton.

They contain the statement that the Minister of Trade and Commerce had said that something should be done, but they do not indicate in any way what form it would take. I do not know where the Canadian Press got the information for the dispatch that was published in Winnipeg. At the time it appeared in Winnipeg the Minister of Trade and Commerce had not yet reached Winnipeg.

Mr. Drew: Do I take it, then, that the Prime Minister does in fact say that the quotations from the Canadian Press dispatch to which I have referred do not correctly represent the situation, so far as the government is concerned, as of December 1?

Mr. St. Laurent: No, I shall not say and I cannot say that there was not something said that would justify the report. The Canadian Press is usually careful, although there are times when statements are expanded or backgrounded. I do not know to what extent that may have been done in this case.

NATIONAL GALLERY

INCREASE IN MEMBERSHIP OF BOARD OF TRUSTEES —EXPENDITURES—APPOINTMENT OF OFFICERS, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure respecting the national gallery of Canada to increase the number of members of the board of trustees; to provide that the board may enter into contracts and may dispose of property vested in the board; to provide for a national gallery purchase account and for a national gallery special operating account to meet the expenditures of the board; and to provide further for the appointment in accordance with the provisions of the Civil Service Act of the necessary officers, clerks and employees.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

CIGARETTES

PREVALENCE OF SMUGGLING—REQUEST FOR REMOVAL OF PART OF TAX

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Is he prepared to make a statement regarding the degree to which cigarette smuggling is taking place, what is being done to meet the situation, and whether consideration has been given to the removal of the tax, in part, in order to alleviate the situation?

[Mr. St. Laurent.]

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the question was sent to me by the hon. member, in which he asks what is being done with a view to protecting the Canadian public from the effects of cigarette smuggling. Customs officers at border points are alive to the situation and I understand that the Royal Canadian Mounted Police have increased the border patrols in those districts where cigarette smuggling is prevalent and have also intensified their efforts inland. I am sure the hon. member will appreciate that the penalties for smuggling are severe and one would naturally expect that they would act as a deterrent to that type of law breaking.

With reference to his question as to whether consideration is being given to a reduction in the tax, may I say that that is not a matter for my department. We are only the administrators of the law and if the tax should be changed at any time we will so regulate our administration as to carry it out.

CHINA

EXPORT OF CANADIAN FUNDS—FACILITIES FOR IMMIGRATION

On the orders of the day:

Mr. Arthur Laing (Vancouver South): I should like to direct a question to the Minister of Citizenship and Immigration arising out of a reply made by the parliamentary assistant to the Minister of Finance (Mr. Sinclair) on November 28, as reported on page 1401 of *Hansard*. In the light of the blackmail being faced by Canadians of Chinese origin and the conditions of terror imposed on their families in China, could the minister give us some assurance that every facility will be afforded under the regulations to permit them to bring their families to this country of decency and security?

Hon. W. E. Harris (Minister of Citizenship and Immigration): As the house knows, in the past four years a number of changes have been made in the regulations with respect to immigration from China. The result has been that immigration from China has increased from seven in 1946 to about 2,500 this year. We accept the wife or husband and unmarried children under twenty-one years of age of a Canadian citizen of Chinese origin. We announced in June that we would accept unmarried children up to the age of twenty-five years under special circumstances.

We recognize that Canadian citizens of Chinese origin are greatly concerned about the welfare of their children and relatives in China. Last year we added to the staff

at Hong Kong, and have made further additions this year. We have also added to the staff of the Chinese section of the immigration branch at headquarters here in Ottawa.

The result has been that the time between the receipt of an application and the granting of approval has been considerably shortened in Canada and the time taken to process immigrants in Hong Kong has been greatly reduced. As a matter of fact, the backlog of those in Hong Kong awaiting processing at the moment is only about the number which could be handled in the course of a month.

The government is most sympathetic toward Canadian citizens of Chinese origin who wish to bring forward their dependents and relatives within the regulations and we are doing everything we can to expedite the processing. I should say that we do not communicate with the intended immigrant in the interior of China. It is left to the parent or applicant to get in touch with him and ask him to come out to Hong Kong. When these people reach Hong Kong we handle them as expeditiously as possible and we are quite prepared to expand our services in any way in order to handle this group of immigrants.

Mr. MacInnis: With respect to the question asked by the hon. member for Vancouver South, does the Chinese government restrict in any way the movement of those who wish to emigrate to Canada?

Mr. Harris (Grey-Bruce): We have no knowledge of any direct restriction because, as I say, the applicant here notifies his relative in China to come to Hong Kong for examination, and they are still coming. The numbers who arrive are in the order of about 200 or 225 a month, and are being dealt with as expeditiously as possible.

Mr. Fair: I should like to inquire whether the word "children" also includes adopted children.

Mr. Harris (Grey-Bruce): No, it does not.

WAR DAMAGE

REQUEST FOR INTERIM PAYMENT TO CANADIANS WHO SUFFERED FROM JAPANESE ACTION

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister relating to one which I addressed to him on November 20 before the orders of the day. At that time I asked what the situation then was in regard to the possibility of making at least an interim payment to those who had suffered as a result of enemy action during the past war, with particular reference to enemy action in the Pacific. The Prime Minister pointed out that the matter was under consideration and that an answer would presently be given to a question which was then on the order paper. That question was answered on November 26 by the Secretary of State (Mr. Bradley) and it showed that the custodian had approximately $3,425,000 of assets under his control which had formerly been owned by Japanese enemies. The answer of the Secretary of State, as reported on page 1304 of *Hansard*, goes on to state:

> When the treaty of peace is ratified such assets will be at the disposal of the Canadian government.

In view of the real and terrible hardship which to my knowledge is being suffered by some women whose husbands were starved as a consequence of action in the Pacific and who are desperately in need of some temporary assistance at this particular time, and under the weather conditions they will have to face, I should like to know if it is possible to provide some interim monthly payments which will give them some feeling of security during the winter months.

At times it is only by quoting a particular case as an illustration that we can understand the general problem. There is a lady here in Ottawa, the wife of a Canadian bank manager who died from starvation in a Japanese prison camp, whose physical condition was severely impaired by near starvation to the extent that she is unable to work and cannot look to anyone for assistance. It seems to me that there could be no question about the legitimacy of this claim and that some substantial financial payment should be made to give her compensation at least in a limited degree for what she has suffered.

I use that case only as an illustration of a number of cases. I ask the Prime Minister if at this particular time of the year it is not possible to make some interim payment.

Right Hon. L. S. St. Laurent (Prime Minister): The general principles recommended by the right hon. Chief Justice Ilsley as commissioner were accepted by council some days ago and regulations for the method of handling applications for interim payments are being drafted. When instructions were issued for their drafting special recommendation was made that that be done with dispatch because we wished to be able to proceed with the implementation before Christmas.

The case the hon. member refers to is one that gave considerable difficulty with respect to the application of the principle because this lady's husband had formerly been a bank manager and in that capacity could have been regarded as having been domiciled in

Canada. However, when he retired from the bank he went into business on his own in the Pacific and that created the legal position where his domicile was fixed there. The government is prepared to assume whatever risk may be involved in recognizing the claim of a Canadian national in those circumstances and it does not feel that it will in any serious way affect the rights of others who may have claims. If we made a mistake in that respect and it were found that it did affect other rights we would come to the house, declare the mistake and ask for an appropriation to make good whatever the prejudice to others might be.

Mr. Drew: Do I take it that some early action will be taken?

Mr. St. Laurent: Yes, the general principles have been approved. Instructions were issued on the draft regulations that have to be made as directives to those who will be handling the claims, and when those instructions were issued they were asked to proceed with as great dispatch as possible because Christmas was in the offing.

AIR TRANSPORT

REGULATIONS REGARDING PASSENGERS IN OPERATIONS COMPARTMENT, ETC.

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask the Minister of Transport if he is ready to answer the question I asked yesterday with respect to allowing passengers in the operations compartments of airplanes?

Hon. Lionel Chevrier (Minister of Transport): I have an answer to the hon. gentleman's question, which was as follows:

> Has the Department of Transport changed its regulations recently in regard to not allowing Trans-Canada Air Lines and other commercial air lines to carry passengers on flight decks . . .

The answer is that the air regulations of the Department of Transport deal with airworthiness, safety, and competency and responsibility of personnel generally, but there are no specific regulations relating to access to the flight decks of commercial aircraft.

Mr. Drew: Is it not so, that the real issue which is causing the present difficulty is the question of the authority of the captain of the aircraft over the flight deck?

Mr. Chevrier: I am not able to say whether or not that is the question. The air transport board is looking into three or four cases that have arisen within the last three or four days. As I understand it, the position is this, whether or not Trans-Canada Air Lines, which issues its own regulations with reference to its personnel going on the flight deck, will be maintained in its view, or whether or not the resolution of the pilots' association, which stipulates that none but the air crew shall go on the flight deck, shall predominate. The air transport board has regulations but they do not cover this point. Until we have all the facts before us I think it would be foolish to attempt to be an umpire between the two. After all, it is a matter for the air line pilots on the one hand and T.C.A. on the other to get together and come to some understanding. If that is possible, I think we can bring in a regulation which will meet the situation.

Mr. Drew: I wish to suggest to the Minister of Transport that regard should be had to this point, in view of the immense importance of the question that has arisen. As I understand it—and I think he will find there is no question about it—the point raised by the resolution of the air pilots' association is the authority of the captain over the flight deck and whether or not he is in fact the captain of the ship so far as what one might regard as the bridge of the aircraft is concerned. Apparently the point is that people who are not members of the crew may be placed in the flight deck compartment without consulting the captain, and that raises the question whether the captain has authority on the flight deck or whether he has not. I might say that the air regulations in the United States and Great Britain make it clear that the captain has absolute authority. I suggest that point is one that should not simply be left to negotiation but should be determined.

Mr. Chevrier: I am not suggesting that it be left to negotiation. All I am saying is that until the air transport board has the facts it is pretty difficult to determine the point.

Mr. Fraser: May I ask the parliamentary assistant to the Minister of Trade and Commerce to answer the question that I asked him yesterday?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Yesterday the hon. member for Peterborough West asked two questions. They were:

> Will the parliamentary assistant make a statement as to why passengers have been sold tickets in the operations compartment of Trans-Canada Air Lines planes, and also why pilots have been suspended for obeying the Department of Transport regulations and safety measures?

The answer to the first question is that there have been no tickets sold to anyone to occupy space in the operations compartment or flight deck on Trans-Canada Air Lines

planes. The answer to the second question is that no pilots have been suspended for obeying the Department of Transport regulations and safety measures.

Mr. Fraser: If tickets are not sold for the operations compartment, then who are the people and how many of them are there who have been allowed to travel free in such compartments?

Mr. McIlraith: Obviously I cannot answer that question offhand. I do not know whether it is possible to get the information concerning who the people are. However, I will try to get whatever information I can and bring it forward.

Mr. Drew: Mr. Speaker, with perhaps some extension of the strict interpretation of the rules, I should like to suggest, because of the importance of this matter and the suggestion in the press that there even may be a strike, that the subject should be given the most urgent consideration. I am sure that the point is that passes are used for trips on the flight deck without the captain knowing anything about it. Some time ago the department was warned there is a danger factor involved which the pilots are not willing to accept.

TRADE

TEXTILES AND VEGETABLE OILS—INVESTIGATIONS REGARDING DUMPING

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of National Revenue. Is an investigation being conducted into the dumping of textiles from communist countries into Canada, and particularly the dumping of gloves from Czechoslovakia? What course is going to be followed in order to meet the situation?

Hon. J. J. McCann (Minister of National Revenue): I thank the hon. member for having given me notice of his question. The matter of the value of fabric gloves imported from Czechoslovakia has been drawn to my attention by a number of Canadian manufacturers. An examination of invoices covering such gloves does not disclose any evidence of dumping, but the department is making inquiries in regard to the values at which these gloves are being sold for consumption in Czechoslovakia. I might point out to the house that I am sure hon. members will appreciate the difficulties involved in getting information with reference to values. Matters of exchange and national excise taxes all enter into the question, and we find it difficult to get proper information with reference to the values in the country of origin. We use such officers as we have in Europe in order to obtain the information. However, shortly a delegation from Czechoslovakia is to visit this country, and we expect to have a conference with them with a view to setting up better facilities for obtaining information.

Mr. Cruickshank: Will the same investigation be carried out with respect to the dumping of cheap vegetable oils used in the manufacture of oleomargarine?

Mr. McCann: Investigations are being continuously carried on with reference to the importation of all goods into this country.

INQUIRY FOR RETURN

ARMED FORCES—ENLISTMENTS—EXPENDITURES FOR RECRUITING AND PUBLICITY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): On November 12 a question of mine inquiring as to expenditures on recruiting and recruiting advertising was passed as an order for return. I should like to ask the parliamentary assistant to the Minister of National Defence when I may expect to have the return tabled, and whether he will please see if he can speed it up.

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): I will have to look into the matter.

KURT MEYER

COMMITMENT TO WERL PRISON, GERMANY—REFERENCE TO STATEMENTS IN DEBATE

On the orders of the day:

Mr. R. O. Campney (Parliamentary Assistant to the Minister of National Defence): In his remarks in the house yesterday the hon. member for Kootenay West (Mr. Herridge) made extensive reference to the Kurt Meyer case. In that connection he referred to a statement which I made in the house on November 26, concerning the transfer of Kurt Meyer from Dorchester penitentiary to a prison for war criminals under the administration of the United Kingdom at Werl, Germany. In view of the hon. member's remarks, and of the discussion taking place generally concerning this matter, I should like to restate very briefly the salient facts of the case.

Meyer was tried as a war criminal, in accordance with the procedure established for the trial of war criminals, following the conclusion of the second world war. He was convicted on certain of the charges brought against him. As a result of that conviction he was sentenced to death. His sentence was

reviewed, in accordance also with the procedure with respect to trials of war criminals, by the general officer commanding, third Canadian infantry division, who commuted his sentence to life imprisonment.

Meyer was subsequently brought to Canada and incarcerated in Dorchester penitentiary in the month of May, 1946. Because Meyer was the only German convicted of a war crime imprisoned anywhere in Canada or, in fact, outside Germany, he was in October last transferred to a prison for war criminals in Germany at Werl, under the administration of the United Kingdom. As I stated on November 26, and for reasons therein set out, he became subject to the general discipline and regulations applicable to all war criminals in that prison as administered by the United Kingdom authorities. It was under rules as applied by the United Kingdom authorities to all prisoners incarcerated at Werl he applied for and was granted compassionate leave a short time ago.

Because Meyer by order in council was placed under the rules and regulations of the prison at Werl, his application for compassionate leave was dealt with in the ordinary way and, as it was a matter of prison administration, without reference to the Canadian government. As the Minister of National Defence stated in the House of Commons on October 22, at page 245 of *Hansard*:

. . . the prison in which he—

That is Meyer.

—is now incarcerated, is under the control of the United Kingdom occupation authorities in Germany but they have no power to interfere with his sentence.

Meyer's sentence was and remains exclusively within the control of the Canadian government, and has been in no way changed.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I have a great deal of regard for the fighting ability of the German soldier. I have every reason to have that regard because I experienced the pleasure of fighting against him. A question has been raised in this house concerning a German major general. The parliamentary assistant to the Minister of National Defence (Mr. Campney) has made a statement. This man was tried fairly, I am sure, was found guilty and sentenced to death. One of our generals commuted the sentence to life imprisonment.

Some hon. Members: Order.

Mr. Ferguson: This matter is of vital importance to the people of Canada, particularly those who have served overseas in the various wars. Either this man should have a retrial or he should go to the penitentiary and properly serve his life sentence.

[Mr. Campney.]

FISHERIES

NEWFOUNDLAND SALT CODFISH—PAYMENT OF SUBSIDY

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the Minister of Fisheries. When does the fisheries prices support board expect to issue cheques to the fishermen in payment of the subsidy recommended for the 1950 catch of salt codfish in Newfoundland?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member for St. John's West sent notice of his question to me. At the moment 600 fishermen have reported on the semi-dry salt codfish, and these submissions have been examined. The cheques will be sent out before the end of the year, and I hope before Christmas.

With regard to the offshore codfish, some 13,500 fishermen have made returns. Evidently these returns are not all in yet, and are coming in very slowly. We believe they will be completed so that the cheques can be issued sometime in January.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

The house resumed, from Tuesday, December 4, consideration of the motion of Mr. Chevrier that the house go into committee to consider the following resolution:

That it is expedient, for the purpose of providing a deep waterway between Montreal and lake Erie, to create a corporation to be called "The St. Lawrence Seaway Authority" with power, *inter alia*, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the authority.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, after the members who are apparently making up their minds whether they will stay or go have settled down, I shall proceed with my discussion from the point at which I left off when this debate was adjourned. The first thing I want to make clear is that a proper analysis of the subject matter before the house would take more time than is allowed a private member or than could comfortably be occupied by a cabinet minister at one session.

When I concluded my remarks I was documenting the fears that exist in the maritime provinces of the repercussions that the final completion of this seaway project may have on the economy of the maritimes. I

believe that the evidence I submitted from organizations that have studied the matter expressed legitimate fears. For example, I was pointing out that if any of the statements made by the Minister of Transport (Mr. Chevrier) in the house, or by any of the other speakers outside the house, had contained a suggestion that some consideration would be given to future development in the maritimes, those fears might have been eased. But the reverse is true. Every statement at which I have looked seems to indicate that, instead of expanding or retaining the organizations that belong in the maritimes, these organizations were going to be further centralized.

I was dealing with the shipping industry. The Minister of Transport and the Minister of Trade and Commerce (Mr. Howe) made statements outside the house clearly indicating that, so far as the future of the shipping industry was concerned, the hopes were that it would be centred in the head of the lakes so far as the Minister of Trade and Commerce was concerned, but the Minister of Transport was a little more general. If a statement had been made that there was a possibility that completion of this seaway would stimulate or add to the shipbuilding industry of the maritime provinces, the feeling would have been different. At present the Canadian shipbuilding industry is centred in the maritimes; that is where it got its start. Through confederation these industries over the years have been siphoned off. It would have at least given us the impression that there is some thinking of the final stages of this development assisting or bringing some benefits to the maritime provinces. I suggest that the miners of Nova Scotia have a legitimate fear. They have presented their case, and I have put it on the record here. A few days ago the hon. member for Cape Breton North and Victoria (Mr. MacLean) received a return with respect to a question as to what progress, if any, had been made in research in taking oil from coal. The answer he received was rather discouraging. There were not any figures. Apparently there was not any interest in the matter. Then I pick up a statement like this in the press. This again is from the Halifax *Chronicle-Herald*. They do a good research job for the maritimes, and they have this to say:

> In the matter of utilization of coal, this coal-producing province usually can sympathize with the lady who is "always a bridesmaid, but never a bride." And so we have this little dispatch from North Sydney: "South America took it away again today. The freighter *Shan Trader* sailed for Brazil with a cargo of 10,000 tons of specially selected coal from Dosco's old Sydney collieries, which will be processed into nylons. Princess colliery coal was selected for the nylon trade after a series of tests."

That is rather disconcerting and I think it reflects on the thinking of our research people —and we have a great many of them— centred in this city. If it is possible to establish in Brazil an industry manufacturing nylons—and there is a great demand for nylon—and if it is economic to transport coal from Nova Scotia to Brazil and to process that coal into a product that is easily marketed, it clearly shows that what I have said about the thinking of those in the ivory towers in Ottawa is correct. Why have we not done enough thinking to establish the utilization of the product of an industry that is losing its place in our economy because of the advance of natural gas, oil and other commodities? I merely use that as an illustration to show that, as to the maritimes, our thinking leaves much to be desired.

All of the evidence I have put on the record so far has been from organizations that have expressed legitimate fears that the ultimate development of this St. Lawrence seaway means that they are going to lose their means of livelihood. I hope that is not true.

Mr. Chevrier: It is not, I am sure.

Mr. Gillis: When the minister gets to his feet again, I hope that he is going to give us some reassuring remarks on some of the things that I think should be coupled up with this seaway, and I will mention them before I get through. When you threaten the bread and butter of an individual or a group of individuals, the natural thing is for him or them to fight back. To get an illustration, we have only to look at the members of parliament at any time an election is coming up. They fight to get back here. They go out and put on quite a show; they spend money. For a great many of them it is to some extent their means of livelihood. We want to try to place ourselves in the other fellow's position—for example, if you were a coal miner, a steelworker or a small farmer in the maritime provinces, and particularly if you have read the history of Nova Scotia, Prince Edward Island and New Brunswick since confederation—and take a look at the industries that have been lost over the years. It makes you stop and think, because that is where people live, eat and work; and they want to stay there. It is their home. I think the fears expressed by the organizations whose submissions I put on the record are quite legitimate.

When I began my remarks I said that the political party to which I belong in that province are not unalterably opposed to this project. While they too fear, nevertheless

they are prepared to give the government the credit for honesty of intention and to believe that it is not the intention of the government to injure any section of the country if it is possible to avoid doing so.

I have here in my hand a survey of this project and its implications when completed. It is dated November 9, 1951. The man who writes this report is Professor David Cass-Beggs of Toronto. The caption of it is: "The Need for a Federal Authority with Wider Responsibilities". Just a week or so ago I heard the Minister of Agriculture (Mr. Gardiner) quote Professor Cass-Beggs with approval on a survey that he made for the Saskatchewan government, I think it was, in regard to that irrigation project that has been under consideration there for some years. I am not going to read this report but I will say that it is a thought-provoking one. I think it is a fair report. It covers the implication in each province. I agree with this report. I think it is an excellent one. In his conclusions, Professor Cass-Beggs points out that, in his opinion, this St. Lawrence seaway with its related developments should be, so far as it is possible to make it, the kind of project that could be likened to the Tennessee valley project in the United States, better known as the TVA. If that is followed through, we should be glad if the Minister of Transport, when he is summing up in this debate, can give the members of this house the assurance that the authority now being set up will be, in so far as it is possible to make it, the kind of authority that will be a continuing one, that will have the kind of qualified personnel on it that will not only have authority and the power to develop the power in the provinces of Ontario and Quebec but will also have the power to follow through, so that any potential development that may be available because of this St. Lawrence seaway, from coast to coast, could be undertaken under the management of that authority, subject to the approval of this house, of course, from time to time. We should like to be assured that that is the kind of authority that the minister visualizes that we are setting up at this time. For example, I should like from the minister the assurance that when this authority is set up and when the preliminary things that have to be done are completed, this authority would have the right to complete the study of this project which is better known as the "Quoddy" project in the province of New Brunswick. There is a power development there, and I have the report in my hand. All that the province of New Brunswick is asking for with respect to that power project is that the government would continue the investigation into the possibilities of developing that power in that area. According to this report, it will cost approximately $3 million to complete the investigation. If the evidence then proves that it is a possible and feasible project it could be undertaken, in co-operation with the United States authorities, to serve the same purpose in Maine, New Hampshire and New Brunswick as the power project now agreed to by the Ontario and federal governments under the terms of the resolution which the minister has on the order paper.

Mr. Deputy Speaker: Order. The hon. member has exhausted his time. He may continue with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Gillis: I will not be very long. I thank you very much, Mr. Speaker, for calling my attention to it. I should like the assurance of the minister that that project can be developed. I hold in my hand a clipping date-lined Quincy, Massachusetts, December 3, which reads:

> Sidney Grossman, building materials firm executive, said today he is prepared to raise $10 million to develop the Passamaquoddy project as a private venture.

Apparently there is private capital in the United States prepared to do something about that particular power project. When the minister closes the debate I should like him to tell me whether the authority that is being set up will be empowered to undertake that kind of development in that province, or at least have power to complete it.

The Saint John river project is another power project. It is feasible. All the evidence you can examine shows that. It is necessary; it is feasible; it is desirable. What I am afraid of, under this development as we visualize it at the present time, is that we are going to duplicate the economic organizations that they have in the United States; that Ontario and Quebec are to be placed in the same position as the states of New York and Pennsylvania are in the United States, with complete centralization of everything. Anyone who takes a drive through the states of Vermont, New Hampshire and Maine in the United States will agree that that end of the country has been very badly neglected. While the disabilities of the maritimes may be great in comparison with central Canada at the present time, they are as nothing in comparison with what exists between the eastern United States and the central United States. I think that is a bad development; I think it is an unequal development; and I think it is a dangerous development.

If our fears of an over-all atomic war are well grounded, a greater decentralization of

industry is necessary on this continent. Do not forget that if war comes this will be the target. We do not want to have all our eggs in one basket where they can be knocked out overnight. In that respect I think the United States has a bad development. A press item just a couple of nights ago pointed out that one of their top flight men in the field of atomic war or its potentialities emphasized to the defence organizations in the United States the urgent necessity of considering decentralization of industry in that country. I merely leave that thought with the minister, because that seems to be the kind of world that we are going to live in in the future. We have to keep our guard up, and it is much easier to plan your industries on a decentralized basis than to have to drag them somewhere in the middle of a war, as some other countries had to do in the last war.

I could say a great deal on this subject, Mr. Speaker. I could talk on it for a long time. No one should be uninformed on it. The material that has been available over the years and is available now on this subject, for and against it, is sufficient to keep one interested for a long time. I want to tell the minister that while I put a lot of evidence on the record that expressed fear as far as the maritimes are concerned—I think justifiable fear of people who are directly affected—at the same time I am not unalterably opposed to it. A good feature about it is that it is a government development. It is a development that can be watched by hon. members. The authority now being set up has great possibilities. When the minister closes the debate I would like his assurance that the body to be set up will have authority, in addition to developing the power end of it in the centre of Canada, to take on the power possibilities in New Brunswick and in other parts of the country that have been under consideration for some time. I would like his assurance that consideration will be given to the possibility of power from coal in parts of the country where it is necessary to do that, and that more attention should be given by an authority of this kind to the development of other industries based on coal, in view of the fact that coal as a fuel is threatened from many directions today.

I thank hon. members for granting me an extension of time. I will be listening with interest to the minister's reply and the assurances that I hope he is going to give us.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I would be very remiss in my duty indeed if I did not have a word to say on this outstanding project. My first word is to congratulate the minister on his courage and foresight and on the splendid way that he expressed them in his brief. Fort William will be the last port of call for the ships coming up the great lakes. I can see that first ship coming up. It may be that the premier of Ontario will be on that ship as well as the Prime Minister of Canada.

I can think—at least I am free to think—that one of the outstanding reasons why the provincial government of Ontario was elected was the co-operation of the premier of the province with the dominion on this great question. That may not be the only reason, but to us at the lakehead it was an outstanding reason.

Unlike the United States, we are not self-contained. The United States can pretty well get along without the waterways. The tie that binds us to the United States is a tender one. Perhaps in no other place, though I come from the old land, have we so many near relatives as we have in the United States. But the United States can get along without this waterway, while we cannot. It now looks as if Canada was not going to try to get along without it very much longer. When the Minister of Trade and Commerce (Mr. Howe) addressed a group of leaders in Washington the other day he said: "We are not bluffing." And any minister and any government that declines to wait ten years, or more than double that, for the United States to make up its mind to co-operate is not bluffing. When the United States knows that this resolution is before the House of Commons it will be more proof that we mean business.

It has been said that we need this waterway. We need it for at least four reasons. The first one is power. When we see in different parts of Ontario steam plants being built to generate electricity it is time for our government to wake up. I know the hon. member for Cape Breton South (Mr. Gillis) thinks that this is only for Ontario. That is only his argument, and I do not think he is convinced that he is right. Anyone who will say that this is for Ontario only is thinking in the wrong direction and for the sake of argument.

He also said there was no scarcity of ships on the great lakes. Had he been at the lakehead when that bottleneck occurred in connection with the handling of grain he would know that ships were taken off the work of carrying ore and placed on that of carrying grain.

Mr. Gillis: I know the hon. member wishes to be fair and accurate. I said I had never heard the question raised in the house concerning a shortage of ships for the movement of grain; and I have not.

Mr. McIvor: Thank you. I am glad you are changing your mind.

Mr. Gillis: I am not changing my mind; I am putting you straight; and sometimes that is a difficult task.

Mr. McIvor: The hon. member's statement is reported in *Hansard,* that there was a shortage of ships on the great lakes. If that is not so, then I forgive him.

Mr. Gillis: I suggest you read *Hansard* more carefully.

Mr. McIvor: We need power in Ontario, and if we do not have that power to develop our raw materials, then our railways will suffer. How are we going to manufacture our raw materials if we have not the power?

The second reason for the development is that of navigation, and it will be concerned principally with the carrying of freight. We expect however that passengers will be carried, as well. I am not going to say much more along this line. The Minister of Trade and Commerce (Mr. Howe) has said that this great waterways development will be another step to keep pace with the agricultural and industrial development of our country. If we are going to keep up our industrial development, then we must have our waterways.

I know there is opposition to this project. I have received long letters and resolutions from the constituency of the hon. member who has just taken his seat. Their objections are reasonable, from their point of view, but not from the point of view of the whole of Canada. This country does not begin at Montreal and end at Toronto. The centre and hub of Canada is at Fort William; and when these waterways are developed, it will be a revelation to many to realize that there is as much beyond the great lakes as there is on this side of them. We were taught at school that when one part of the body suffers, the whole body suffers. If Ottawa is the brains of Canada, then Ontario is the stomach. If we are going to supply the needs of industry we will have to have this great waterways development. To me it is absolutely necessary.

A further objection is that the project will cost too much. I ask hon. members to keep in mind that Canada built the longest railway in the world, and that it was done many long years ago at a time when many who now sit in this chamber were unborn. That railway was paid for. Of course in the building there was assistance from the Scottish, the English and the Irish; but those who invested their money did not lose it. If they could build the longest railway in the world, why cannot we at this time build a great waterways system? We will do it.

I am sure when we see the first ship coming up into the Kam river and turning around in that big basin in which the boats turn, it will be a thrilling sight. I hope that no matter what the opposition may be, or where it comes from, the minister will look at it fairly and squarely, so that he may be fair not only to Nova Scotia and the east but also to others.

I know that if we had had ships when the bottleneck occurred in connection with the carrying of wheat—and there have been other bottlenecks—it would have helped materially in the shipment of that grain. Again I congratulate the minister upon his courage and foresight, and I hope he will stick to his job.

Mr. A. J. Brooks (Royal): Mr. Speaker, I am not going to follow the hon. member for Fort William (Mr. McIvor) in his remarks. He has always been most complimentary to the government; no matter what it has done, it has always been right, so far as he is concerned. While I cannot agree with him in that, I am not going to enter into an argument at this time.

I do agree to a great extent with the hon. member for Cape Breton South (Mr. Gillis). I should like to congratulate him upon having made an excellent case for the maritime provinces. I do not suppose any part of Canada would be more adversely affected by this project than would Cape Breton, nor is there any part of Canada that would benefit to a greater extent than Cape Breton, if the recommendation made by the hon. member were carried out.

He has placed on *Hansard* statements from a number of sources in the maritime provinces, particularly one from the united mine workers of his own district. I agree with almost every paragraph of their recommendations. I would add that the united mine workers of the district from which the hon. member comes is the same organization which governs the miners at Minto, in my constituency.

We are not as definitely concerned as are the miners in Cape Breton, because our New Brunswick coal enjoys, more or less, a local market, and we do not feel our market will be adversely affected to the same extent as will the coal industry of Nova Scotia.

Without the power to look into the future it is difficult to estimate just what the development of the St. Lawrence seaway will mean to this country. We have seen great developments and great undertakings in the

past, of which some have turned out as anticipated, while others have not been so successful. There are very few that have not gone beyond the estimated cost for their construction; on the contrary, most have cost two or three times as much. I fear this St. Lawrence seaway development will be far more expensive than is expected.

In this connection I would refer to the building of the Hudson Bay railway to the port of Churchill. With a number of members of parliament I visited that port last winter and was amazed at the barrenness of the country. It occurred to me then that the building of the Hudson Bay railway must have been more or less of a mistake. That was impressed more upon my mind when I looked at the great grain elevator at Churchill and was told that the shipping season opens in August and closes before October and that last year only twelve ships sailed from that port with grain for Europe. When that matter was before the house all parties were in favour of building the railroad in the belief that it would mean much to the people of western Canada by providing a cheaper method of shipping grain across the ocean. That expectation has not been realized.

As I understand it, there are four principal reasons for the construction of the St. Lawrence waterway. The minister mentioned them the other day and the hon. member for Fort William (Mr. McIvor) referred to them this afternoon. The first reason is that it will provide a cheaper means of carrying the produce of central and western Canada to the markets of the world and for the carrying of iron ore to central Canada and the United States. Another reason was that it would provide more cheap power for Ontario and possibly Quebec; and the fourth reason was that it was necessary for the defence of Canada.

Let us look at the first reason, that it will provide lower freight rates for the people in central and western Canada. The hon. member for Fort William said that the railroads of Canada are in favour of the development of the St. Lawrence seaway. The hon. member must have been reading material which I have not seen because any report or statement that has come to my notice indicates that the feeling of the railroads is much to the contrary, that they are much concerned over the development of the St. Lawrence seaway because they believe it will interfere with their freight revenues. There is no doubt in my mind that considerable traffic will be taken from the railroads.

I do not think it is necessary to point out that today the railroads of Canada are having a desperate struggle to maintain their equipment and roadbeds and to make enough to cover the ordinary operating expenses. If revenue is taken from the railroads, how will it be made up? No country, and particularly Canada, can get along without railroads. We can get along without our trucks, our aeroplanes and our ships but Canada today and in the future must have railroads. Anything that interferes with the development and future maintenance of our railroads interferes with the development of Canada.

The ports on the great lakes and the seaway will be in use for only seven months in the year; for five months of the year they will be idle. I saw a statement the other day that the thousands of men who might be employed in these ports during the seven months in the year will be without employment for the remainder of the year and be more or less on unemployment insurance and be a burden upon the people of Canada to that extent. If the railroads lose revenue through the building of this seaway, that loss will have to be made up by subsidy or in some other way by the people of Canada. If men are thrown into unemployment for certain months of the year the money to maintain them will have to be provided also by the people of Canada. I wonder if our situation financially is going to be improved through cheaper water rates.

The next point was that this would provide cheaper power for Ontario and possibly Quebec. We in the maritime provinces are sometimes envious of the central provinces because of their great power developments. A moment ago the hon. member for Fort William said that power was needed in the central provinces for the development of industry. I would point out to the hon. member and to this house that there is no part of Canada so much in need of cheap power as the maritime provinces.

What will be the result of additional cheap power in the central provinces? We have heard a lot in the house about centralization and decentralization of industry. It is only logical to come to the conclusion that if there is more cheap power available in the central provinces of Ontario and Quebec there will be a greater concentration of industry there and less industry will be available for the maritime provinces and other parts of Canada.

The hon. member for Cape Breton South (Mr. Gillis) referred to the development of power in the maritimes. If that can be linked up with the development of the St. Lawrence seaway, all to the good. That is something that should be done. We are not small-minded and we have no objection to the development of Ontario, Quebec or any

other part of Canada, but we want our own part developed also. That is all we ask for; that is all we want.

Another argument used by the minister the other day was that this would strengthen national defence. As far as defence is concerned, we are linked up with the United States. If the development of the St. Lawrence seaway is going to aid in the defence of Canada and the United States I should like to ask the minister why the Senate of the United States turned down the proposition. I think they are and should be just as much interested in the defence of the North American continent as we are.

The minister said that ships using the St. Lawrence seaway would not be vulnerable to submarine attack in case of war. That may be true, but ships using the St. Lawrence seaway will not confine their operations to the seaway and the great lakes. Many of those ships will be leaving the St. Lawrence and will be subject to attack by submarine in the Atlantic ocean. As far as I am concerned, that argument does not carry any weight.

Decentralization of industry is being carried out today in the United States and many other countries. For instance, Russia has moved her great factories beyond the Urals or to different sections of that great country so that they will be less open to air attack. In Canada we have a great concentration of industry in cities like Toronto, Montreal, Hamilton and other centres. Our industry is very vulnerable to attack. If our industry were dissipated throughout the country and more placed in the maritimes or on the prairies it would add to the protection of this country and make it much stronger.

The hon. member for Cape Breton South (Mr. Gillis) referred to the next point with which I wish to deal. I do not wish to repeat too much, but following him it is difficult not to do so because he has mentioned nearly everything. The minister dealt with the building of ships and said that the construction of the St. Lawrence seaway would permit the building of ships in the sheltered areas of the great lakes. As the hon. member for Cape Breton South has said, the great ports of Halifax, Saint John, and Pictou form the cradle of the development of the building of ships on this continent. I should like to ask the hon. member for Pictou (Mr. McCulloch), the hon. members for Halifax and the hon. member for Saint John-Albert (Mr. Riley) what they think of the proposition of the future ships of this country being built in the protected areas of the great lakes, thus taking employment away from the people of Saint John, Pictou and Halifax. I do not believe that will be very much in the interests of the maritime provinces. In fact will be a decided loss.

To my mind one of the chief reasons why the St. Lawrence seaway is being developed is because of the Labrador ore. I think it is the nigger in the woodpile so far as the present haste is concerned. I believe it is one of the chief reasons why the St. Lawrence seaway is to be built now. We understand that the ore in Labrador and the northern part of Quebec is owned by United States interests. In developing the St. Lawrence seaway we are supplying transportation for the conveyance of this great asset to the mills of the United States. The raw material is to be taken out of Canada and processed in that country.

If we look at a map of Canada we will notice that the nearest and logical area for the development of this ore is the maritime provinces. As has been pointed out, it is necessary that coal and iron ore be in close proximity in order to produce steel. In Cape Breton there are mines which can supply any quantity of coal for the production of steel, and if it were not for the fact that the United States and central Canada are anxious to obtain the ore for their established mills anyone who was disinterested in the matter would look at the map and say that the great steel industry for the processing of this ore should be in Nova Scotia and the maritime provinces generally. We have an abundance of coal and an abundance of labour. There is no reason why there should not be greater development in that region than there is at the present time.

It is also a well known fact that other industries locate where the development of steel production takes place. We in the maritime provinces have felt that we are more or less of a depressed area. If we could secure the development of steel production and the establishment of other industries I believe our provinces would be in a position to take their place beside the other provinces of Canada. I should like to point out that in Australia they have more or less the same problem. Not very long ago I read an article in the *Christian Science Monitor*. The heading is, "Australia Begins to Work Remote Iron Ore Deposit". They have discovered tremendous iron ore deposits in the northern part of Australia at a place called Yampi Sound. The article reads:

Located on the north side of the Sound on Koolan and Cockatoo islands, this 100-million ton deposit will give new industrial stability to this vast thinly

populated region which formerly was dependent on the seasonal fluctuations of the cattle industry for its prosperity.

Australia has realized that the development of a steel industry in the area where iron ore has been found will bring about new industrial stability for that region. I am sure the development of the steel industry in the maritime provinces to a greater extent would give new industrial stability to that area of Canada. I should also like to point out that the same article states that India, where there is a colossal reserve of some 6 billion tons of iron ore, is developing her own steel from her own iron ore. It is not being shipped out to some other country. Besides having the raw product, India is also developing the production of steel and giving employment to her own people. The article compares India's reserves of ore with those of the United States and points out that India has 6 billion tons compared with 3·6 billion tons in the United States.

The thought occurred to me that inasmuch as the United States has 3·6 billion tons of iron ore in her own country it should not be necessary for Canada to ship her iron ore to a country which has such large deposits. Like the hon. member for Cape Breton South, I do not wish to appear narrow in this matter. We are interested in the general development of Canada, and we always have been. We have always paid our share in the development of the great railroads and canals and everything else which goes to build up this country. We are still interested in the development of other parts of Canada. I have listened with much interest to the proposal for the development of the South Saskatchewan river project for the purpose of providing more power for the people and to irrigate certain lands to make them fertile so that there will be greater productivity. We in the maritime provinces are 100 per cent in favour of that development. I believe that the people of Ontario, Quebec and western Canada are prepared to assist in the development of any part of Canada where it is necessary.

When the matter of equalization of freight rates across Canada was being considered in the special committee on railway legislation I was very much pleased to see that the other parts of Canada, Alberta, Saskatchewan, British Columbia, Manitoba, Ontario and Quebec, realized the position of the maritime provinces. Every other part of Canada sympathized with their position and gave practical assurance of their sympathy for our problems in the legislation which was brought before the house. I believe that the people of other sections of Canada would take the same attitude if some practical idea for development in the maritimes were put before them. The hon. member for Cape Breton South spoke this afternoon about the Chignecto canal and Passamaquoddy projects. I think they should be linked up with the St. Lawrence seaway, and I believe we would receive support from every section of Canada.

Some of the fault lies with our own people. I should like to see the governments of the four maritime provinces tell the federal government just what they want. Some will advocate the Passamaquoddy project and others the Chignecto. Others will say we should develop cheap power from coal. Someone else will advocate the Petitcodiac project. I should like to see the premiers of the governments of those provinces get together and decide definitely on what they want. I should like to see them come as a united body and present their needs to the federal government. With the sentiment there is throughout Canada, as expressed in the special committee on railway legislation and in other places, I believe that Canada would be willing to give them what they want and we could get something definite. This idea is along the line of the suggestion of the hon. member for Cape Breton South a moment ago.

I do not know, Mr. Speaker, that there is very much more I can usefully say. As I said a moment ago, we do not like to object to a development of this kind, but we do express the hope and wish that the development will not be at the expense of one section and for the benefit of another section of the country; it should be for the benefit of the whole of Canada. I must say that I agree wholeheartedly with the statement made by the leader of the opposition (Mr. Drew) a few days ago. I should like to read a portion of it which is found at page 1583 of *Hansard* for December 4:

> We have spoken about the need for the decentralization of industry in Canada. This is the time for us to plan the decentralization of great industries in every part of Canada. We have mills on the Atlantic seaboard today. As we plan for the use of iron ore, let us make sure that those mills now existing in eastern Canada are supplied with iron ore on a scale which will require much greater milling capacity than they have today. And let us recognize that while there are immense advantages in carrying iron ore to the established mills in the central part of Canada, there are equally great advantages in assuring steel supplies at seaports both on the Atlantic and the Pacific, so that we may be shipping steel in the form of steel to our friends and allies in other parts of the world.

As I say, Mr. Speaker, I agree with that statement contained in the paragraph I have read. I feel we must be practical in this matter of the development of the St. Lawrence seaway. I realize that probably 90 per cent of the members of this house are in favour of that development, and that it will

become an established fact. I do not think anything I or anyone else can say or do will stop it. We realize also that there will be a power development for the province of Ontario, which needs that development. We realize that the iron ore which is owned by the United States will, to a great extent, go to United States foundries. But I believe our government has it within its power to see that a fair share of that iron ore will be smelted and fabricated in the Dominion of Canada.

We realize all those things. We realize also that if we are to have a great country we cannot ship all our raw products such as iron ore or pulpwood out of the country. We have an example of that in my own province. Companies in the United States own large areas of timber land, from which they cut and ship out of the country about half a million cords of pulpwood a year. The people of New Brunswick do the manual labour, and someone else performs the other work which commands higher pay. Only the other day the minister said the St. Lawrence seaway would be a great advantage for our maritime shipping. I noticed that last year, for instance, practically the only shipping on the St. Lawrence from our province was about 191,000 cords of pulpwood. Much of the freight for Newfoundland and parts of Quebec consisted of shipments of coal from ports on the great lakes. To my mind that sort of business is not of great advantage to our country.

I would close with this. I hope something will be done to provide cheaper power so that we may have more industry in the maritime provinces, and something will be done to see that our raw materials, such as this iron ore in Labrador and our pulpwood, are not shipped out of the country but are manufactured and developed here. If that is done then young people, not only from the maritime provinces but from other parts of Canada, will find employment in their own country, and be able to live here in peace and prosperity.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, I consider it a great honour to have the opportunity of taking part in this historic debate, which will be long remembered for the contribution it will make to the commerce and industry of the whole of Canada. I should like to commend the Minister of Transport (Mr. Chevrier) for his masterful presentation when presenting this resolution to the house. I believe there was nothing lacking in any of the details of construction as given by him to the members of this house.

Canada has been blessed with the most important means of inland transportation in the world. From Father Point to the western end of lake Superior it extends 2,500 miles inland into the heart of the North American continent, nearly half way from Cape Breton to the Pacific coast. For sheer size the great lakes system is tremendously impressive. It consists of a water area of 95,000 square miles. Its total shore line on the inland lakes is longer than the combined shore line of Canada's Atlantic and Pacific coasts. Are we going to make the most of this great natural advantage that has been given to us? I say, Mr. Speaker, we cannot take advantage of these great natural resources until we have removed the bottleneck which exists between lake Erie and Montreal. The elimination of the bottleneck is what is proposed in the resolution introduced by the Minister of Transport.

It is not a new proposal that is being made to the house at this time. For over one hundred years Canadians have heard a great deal about the development of the St. Lawrence seaway. A celebrated citizen of my district of another day, the late Hon. William Hamilton Merritt, the founder of the Welland canal in 1824, envisaged a great waterway extending from our district up to Montreal and through this bottleneck. In September, 1895, a meeting was held with United States citizens in Cleveland, Ohio, to discuss the project which we are discussing today. We have heard a great deal of the matter since that time.

What does the scheme involve? It involves the building of a channel, 27 feet in depth, extending 2,000 miles into the heart of the North American continent. It has been suggested to me that possibly we have not gone far enough, that 27 feet is not deep enough to carry the type of ship we should like to have come up into the heart of our continent. It has been suggested that it should go deeper and the depth of the channel should be 35 feet.

With the great waterway we desire in Canada we have coupled the gigantic power development which will provide two or three power development sites. I often wonder whether the promoters of the St. Lawrence waterway proper have not been too ambitious and placed too much emphasis on the gargantuan proportions of the scheme, thus frightening some people in this dominion. The greatest obstacle to navigation, the rise of 326 feet between lake Ontario and lake Erie, has been overcome already through the building of the Welland ship canal, which was completed in 1930 at a cost of $133 million. We

are not getting the most out of this great engineering feat which passes through the constituency which I have the honour to represent. It is true that there is much work to be done in the area between Prescott and Montreal. How much will it cost to complete this work? The best estimate that has been given up to the present time is $900 million. In his address the other day the minister made the statement that Ontario and New York indicate that they will undertake to pay for the development of power up to the sum of $400 million. If Quebec joins in the scheme for the development of power at Lachine they will pay an additional $250 million. In this resolution the government asks for power to raise $300 million to complete the proposition. Is it too much to ask that, for the great advantages that will be derived by Canada, we should authorize the government of Canada to borrow $300 million for the completion of this scheme?

Many years ago our forefathers built transcontinental railways to open up the great west. In recent times we have built such projects as the Welland ship canal costing great sums of money. I believe that it would bolster the morale of the Canadian people and give them confidence in themselves if they were to undertake and complete this great project. When can it be finished? As to the development of power, I am told that it will take four working seasons from May until December in each year, and that additional power can be made available to the people of Ontario and Quebec in 1955. It will provide for the generation of 2,200,000 additional horsepower, half of which will benefit Canada, to the extent of 1,100,000 horsepower. We need that power in Ontario and Quebec.

From the standpoint of navigation I am told that it will take about two years longer than the estimated time for the development of power. That would mean that it would be six years before we would have completed the seaway. The navigation and power development factors, it seems to me, are both compelling arguments for the completion of this project. For some period of time we have brought great amounts of iron ore from the Mesabi range at the head of lake Superior, but as time has gone on this great deposit of high-grade ore has been depleted. We now find that we must depend to a great extent on the ore fields of Quebec and Labrador. I can visualize great ore-carrying ships bringing ore from those deposits down the St. Lawrence river and the great lakes to steel-producing mills situated in Canada, developed by Canadian capital on the great lakes and on the Welland ship canal. We already have great steel mills in Hamilton, Toronto and Sault Ste. Marie. If this project is completed many more will be established and located on the great lakes system.

Western Canada has a great deal to gain with regard to the transportation of grain, especially wheat. I have discussed the matter with members of this house who come from western Canada and they are of the opinion that this seaway will be of great benefit to the western grain grower. Grain will be loaded in ships at Port Arthur and Fort William and carried to overseas ports.

Mention has been made of the great shipbuilding industries that can be developed on the great lakes. I do not need to inform many hon. members of the fact that we have already commenced a great shipbuilding industry on the great lakes. Last spring I had the honour to attend, along with the Minister of Transport (Mr. Chevrier), the launching of the greatest steamship built on the great lakes. I refer to the S.S. *Scott Misener,* built by the Port Weller Drydock Company at the northern end of the Welland ship canal, which is within my riding. I know they are ready to go ahead with the building of more ships in their great yards. This work can be undertaken and completed in the comparative safety of the great lakes. I see other great industries expanding and developing along the shores of the great lakes and the Welland ship canal. From the standpoint of defence consideration, we need this great waterway not only for the development of power but for the fact that it will give protection to trade within the boundaries of our country.

Some residents of my own district have expressed considerable alarm lest the great lakes seaway will cause further erosion damage in the Niagara district. I am informed that the development of the St. Lawrence will not have the effect of raising the level of the lakes. I have been assured by competent engineers that the mean water level of the lakes will not be raised as a result of this development.

What then, Mr. Speaker, is the attitude of the United States? Every president from Harding to Truman has endorsed this plan. They have then sought the approval of congress, which has not seen fit to approve their decision. In 1941 Canada entered into an agreement with the United States, after years of study by engineers on both sides of the border. That agreement still has not been confirmed by the congress of the United States. During this debate the suggestion was made that the government of Canada had not made a strong enough or vigorous enough appeal to the United States of America. We do not need to remind the

government of the United States of this great project because it has been before the minds of the governments of Canada and the United States for many years. You will recall, Mr. Speaker, as will hon. members, that the public works committee of the House of Representatives visited Canada less than a year ago. They were greeted by the Minister of Transport and other Canadian dignitaries, and were given the opportunity of going over the proposed undertaking, of perusing the plans and specifications that had been drawn. But when they returned to their native country, by a slight majority they voted against the scheme.

Then the Prime Minister (Mr. St. Laurent) made every effort in his visit with President Truman to see that this great scheme was carried to completion. I therefore believe that we should not be accused of not taking a vigorous attitude in regard to the development of this plan. In an international situation of this kind I think the government might have been criticized had they been too aggressive and too forceful with our neighbours to the south. It is my earnest hope, Mr. Speaker, that congress will still see fit to ratify this plan. If they do not, then we must proceed at once. Our people expect us to give leadership in this great project. They expect us to go ahead with this great development of Canada as a whole.

What about the matter of collection of tolls? If Canada does go ahead with this great project on her own, I submit that we are entitled to charge tolls on other than domestic shipping passing through the St. Lawrence seaway. We have already expended large sums of money on the development of the Welland ship canal and in dredging the watercourse from Montreal down to tidewater. It is only reasonable that we should charge tolls in order that we might collect the original investment and the interest that would be payable on an investment of these proportions.

As a citizen of Canada I am proud to support this resolution. I do so because it affects not only the district from which I come, but will be beneficial to all parts of Canada. As a citizen of the Niagara district I know how much it will benefit the area in which I live. We are in close proximity to power at the present time. We know what power will do for the expansion of industry, and I can see many new establishments bringing employment to our people and a higher measure of prosperity in our district. The St. Lawrence seaway, in peacetime, would strengthen prosperity in Canada. In time of stress or danger it would strengthen our defences to a common foe.

[Mr. Cavers.]

Mr. J. W. Noseworthy (York South): Mr. Speaker, the resolution before us is concerned with the setting up of a corporation for the purpose of providing a deep waterway between Montreal and lake Erie, and to provide an authority with the right to construct, maintain and raise money for the payment of that construction. The minister himself indicated how important he felt this project was in the progress of Canada. I agree with him that this is probably one of the most important measures that has come before this house in so far as its effect upon the general economy of the country is concerned.

The project can be a blessing to Canada. It is a mark of progress. When we realize that it is now just about a hundred years since we opened up that seaway for traffic of low draft vessels, and built our earlier canals; when we consider it is now just about twenty years since we signed our first treaty with the United States for the development of this project, which treaty was rejected by the United States Senate; when we consider that it is now twenty years since we spent what I am told would now be the equivalent of close to $500 million on the construction of the new Welland canal and the new locks, it seems a very appropriate time to move forward, to create this 2,000 miles of unobstructed waterway from the head of the great lakes to the Atlantic.

As has been pointed out, the project is twofold. It involves the development of power for the use of the province of Ontario, as well as the seaway. There can be no question regarding the necessity of developing that power. We are told that there are 1,100,000 unharnessed wild horses not being utilized by the province of Ontario, whose energy is available for the use of industry. One engineer has estimated that the power going to waste in the international section of the St. Lawrence is equivalent to the energy that could be created by 28 million men. It is certainly opportune that we develop that power. Those of us who recall the difficult straits through which we passed in Ontario during the latter years of the war and shortly after, those of us who realize the extent to which industry was handicapped by the shortage of electric power in this province, can visualize quite fully the need for the development of the available power in the international section of the St. Lawrence.

It is quite apparent that the power project could be developed without the seaway. As a matter of fact I understand that the Ontario Hydro Electric Power Commission was very seriously considering trying to get an agreement between the government of Canada, the

state of New York and Washington that would enable them, in conjunction with the appropriate authorities in the state of New York, to develop that power without a seaway, since it seemed obvious that there was not much likelihood of getting a very speedy agreement between the two countries regarding the development of the seaway itself.

It does seem sensible that when we are developing that power project we should at the same time make provision for the development of the seaway. As far as I can gather, it is much more economical to develop them both together. The waterway itself will have an enormous effect upon the economic life of Canada, an effect that itself can be for the good, or one that may not become an unmixed blessing. Whether or not it becomes an unmixed blessing will depend, I think to a large extent, upon the policy which is followed by the government in conjunction with the building and maintenance of this great waterway.

Certainly I shall favour the resolution. To me it is unthinkable that at this day and age Canada, with a prospective 2,000 miles of unobstructed waterway from the heart of the continent to the Atlantic, should continue to permit that waterway to be obstructed for a distance of approximately 100 miles. Ships take on and bring down through the great lakes half a million bushels of grain. Some of those ships can carry 15,000 tons of cargo, all of which has to be transshipped into smaller boats which have to climb up and down twenty-one locks. Then at the other end we have available facilities for ocean liners to reach the port of Montreal. It does seem in line with progress that we should connect those two sections of our waterways system, and that we should provide through the hundred-mile international section a waterway that will permit vessels to pass from the head of the lakes to the coast.

The next point is as to whether Canada is justified in proceeding alone, without the co-operation of the United States, if that becomes necessary. If we fail to obtain that co-operation, then I am all in favour of proceeding with this project. Indeed, I am not sure but that in the long run it would be better for Canada if we were to proceed with the development alone. It can be built entirely within Canadian territory, and after waiting twenty years I think we should not wait longer for the co-operation of the United States. This becomes of greater significance when we are given to understand that it will be self-sustaining.

I believe we should keep in mind that in connection with this waterway the United States is in a different position from Canada. We have been told this afternoon there are sections of our country that question the final outcome of this development. In the United States there are more sectional interests, great financial and industrial interests, that have opposed and continue to oppose the development. On the other hand the United States is no longer a frontier country, and there is not the same national need for this type of project. Our neighbouring country is well settled and is crisscrossed with numerous means of transportation: it does not depend as we do upon the export of raw materials and natural products. There are many reasons why the United States may be less interested in the carrying out of this development. For these reasons I would certainly support the government's move to proceed with the building of the waterway, with or without the co-operation of the United States.

For a few moments I should like to refer to the authority to be set up for the construction and maintenance of the project. There is no doubt that it will bring about a marked change in the economy of Canada, and will have a direct effect upon east-west transportation in this country and upon transportation generally. I suggest, as did the hon. member for Cape Breton South (Mr. Gillis), that when we embark upon work of this kind, where we are spending so much money on something that will affect all parts of Canada, the authority established should have the financial means to study how the development will affect our Canadian economy, and should have authority to undertake the wide range of activities that will be necessary if Canadians are to derive the full social benefits of the undertaking. If the St. Lawrence waterway development is left for the exploitation of private interests, the people of Canada may well stand to lose many of the social benefits that would naturally accrue. Then, the authority should take measures to avert any harm or anything detrimental that may flow from the development and affect any region in our country. We have heard this afternoon how it might have a detrimental effect upon the economy of the maritime provinces. The authority should be such that it can consider those factors, and should be permitted to take whatever steps are necessary to offset them.

Transportation is one aspect of our economic life which will be affected by the opening of the canal. The whole east-west transportation system in Canada will be affected. The toll fixed will have to be tied in with road and rail freight rates. Our transportation system was not built to tie in with a great waterways scheme such as is now visualized. In my

opinion the authority to be established to construct and maintain this project should be in the nature of the Tennessee valley authority. It might very well be called the Canadian great lakes-St. Lawrence authority. One matter that should receive consideration is the effect this project will have upon the transportation systems of Canada.

The minister referred to shipbuilding, but there is more than that involved. There is involved the whole question of the use of ships, what types of ship will be used on this great waterway and so on. The minister indicated that the boats plying the seaway would not eventually cross the ocean, that their cargoes would have to be transshipped at Montreal or some point on the Atlantic. Would it not be possible for a research project to develop a type of vessel which could be used economically on the great lakes and at the same time be sturdy enough to stand the Atlantic ocean in order that goods from the head of the lakes could be carried to various parts of the world without having to be transshipped on the coast?

Certain it is that the huge carton-like ships that now ply the great lakes and which carry, as I said, up to 15,000 tons of iron ore or coal could not venture out upon the ocean. It is also pretty well established that the majority of ocean-going vessels would not be able to come up into the great lakes even after a 27-foot canal is provided. I have here a report by the Brookings institution on this subject. This report indicates that a 27-foot waterway would be of little use to combination passenger and cargo vessels; that 85 per cent of the passenger-cargo vessels now plying the Atlantic would not be able to use such a waterway. These vessels represent 95 per cent of the aggregate tonnage. The report states that the proposed 27-foot channel could not be navigated by 85 per cent of the faster cargo ships, that now reach a speed of 12 knots or over and represent about 65 per cent of the total tonnage.

It must be realized that the day of the slow vessel is past and that speedier and larger vessels now form a much greater percentage of the total tonnage in use than when this report was prepared. A 27-foot channel would exclude 87 per cent of the tonnage that operates under regular schedules out of Montreal and Quebec, and it could not be navigated by 60 per cent of the aggregate grain tramp tonnage engaged in overseas trade. This channel could not be navigated by 81 per cent of the cargo vessels, nor by any of the tankers now engaged in international trade.

It is quite obvious that we cannot expect a large percentage of the vessels now cruising the ocean to enter this waterway even with a 27-foot channel established to the head of the lakes. It is also apparent that ships now using the upper lakes and the sheltered waters of the St. Lawrence will not be able to cruise the ocean. A question worthy of consideration is whether there could not be developed a type of ship which could navigate that 2,000 miles and then carry on to world ports without its cargo having to be transferred. I think this would involve a research problem which an authority such as this might well undertake.

Then there is the question of shipbuilding and the establishment of outfitting docks and yards. This will depend upon the government's policy regarding centralization or decentralization of industry and population. This waterway is bound to have a great effect upon the location of population and industry in Canada. Great changes in the location of industry and population may well follow the opening of this waterway. Whether or not we are to continue to enlarge a few centres now equipped with docks or whether some of the smaller towns along that waterway which at one time were important are to be revived and dockage provided will depend entirely upon the policy of the government with regard to the centralization or decentralization of industry and population.

Many new towns may be developed along that waterway and many ports whose past glories have faded may be revived. Here is an opportunity to decentralize industry instead of bringing more to the larger industrial centres of Canada. This is a question which I think should receive the consideration of some such authority.

It is because these and many other problems are bound to arise from the development of this waterway that I suggest the authority to be set up should have its scope and responsibilities enlarged. A question raised this afternoon had to do with the extent to which the maritimes might suffer. Certainly it should be the business of this authority to plan the economic development which will follow upon the construction of the waterway. As hon. members have pointed out, part of that planning should be toward the establishment of new industries based upon the natural resources already available in the maritimes and other parts of Canada. There is also the question of conservation. In certain parts of Ontario the shore line is being washed away year by year. The building of the seaway with the consequent creation of large reservoirs of water will destroy much scenic beauty and may very well increase the problems we now have in connection with the conservation of the shore

line. I certainly think an authority such as this should assume some responsibility. It should be given the right to co-operate with the provinces in the preservation of land along the route, and particularly in the creation of recreational facilities. That is a very large field there.

I am supporting the resolution and the project both with respect to power and the waterway, but I am suggesting that consideration should be given to the setting up of an authority with much wider power than is visualized in the resolution; and I have tried to indicate a few of the problems with which such an authority would have to deal.

Mr. J. H. Dickey (Halifax): Mr. Speaker, I will not delay the house long, but I think I should say a few words at this stage of our consideration of this extremely important subject. It is quite obvious, I think, that most of the members of the house who represent constituencies in the maritime provinces are approaching this very important matter with a real effort to avoid taking a negative attitude. I can assure you, sir, from my knowledge of the feelings of the members from the maritime provinces who sit on this side of the house we do not approach this problem with a negative attitude at all. We regard, as I think most Canadians do, the proposal for the St. Lawrence deep waterway and power project as a most important development. I am sure hon. members and the government, however, will recognize our responsibility to consider every implication of this tremendous undertaking, to express, not only now but in the future stages of this legislation and also during the years in which the whole project will be developed, the interests of the maritime provinces, and to take every step that we feel is required to ensure that the vital interests of the part of the country we have the honour to represent are fully considered and protected.

I do not propose to go into any great detail on this subject at this time. A number of speakers preceding me in this debate have dealt at some length wth the aspects of this proposal which they, or groups in the maritimes from whom they have received representations, regard as threats to the essential economy of that part of the country. The hon. member for York South (Mr. Noseworthy), who preceded me, spoke at some length at the end of his address on the nature of the authority which he considered should be set up to carry out this important development. It is certainly my view that nothing should be done in the setting up of the authority which would in any way shift the responsibility of parliament and the government to oversee the effects and implications of the carrying out of this policy in order to ensure that it does not do direct damage to the maritimes, the west or any other part of Canada. That responsibility should remain in this parliament where the elected representatives of any part of the country that may be adversely affected can raise their voices to explain the difficulties and use their influence to ensure that policies are adopted which will prevent any damage of that kind. I hope that the hon. member had no thought of that kind in his mind, but in view of his expression of opinion I wanted to place myself on record as feeling that this important responsibility should remain in the hands of the people's elected representatives and not in the hands of any authority which might be set up to construct or carry forward this project.

I think all members of the house should be grateful to the Minister of Transport (Mr. Chevrier) for the masterly way in which he opened this debate. His exposition of the policy underlying the resolution was not only a treat to listen to but I think gives us a very sound basis upon which to proceed with this discussion and the consideration of the resolution itself. He laid some stress on the importance which he attached to the project, and of course that importance should not be underestimated. He spoke of the project from the point of view of defence. I think that is a matter we should consider very carefully indeed. Any work of this magnitude which is urgently needed for the defence of the country must demand our consideration. The actual construction and existence of the waterway would of course involve the creation of a number of vital points that in themselves would require protection, and in that sense they create a problem of defence. But given the ability to provide local protection for the important works and structures which will form the physical part of this development, I think we must recognize that its existence will be an important tool of defence if this country is ever again faced with the kind of emergency that we passed through between 1939 and 1945.

I believe, Mr. Speaker, we should never forget the continuing importance to the country of this development from the point of view of defence. The Minister of Transport (Mr. Chevrier) in this house, and the Minister of Defence Production (Mr. Howe) in a speech at Washington, referred, as part of its importance from the aspect of defence, to the expansion of shipbuilding facilities in the protected waters of the great lakes. I believe

that is of importance, but I should like to point out that adequate shipbuilding and ship repair facilities will continue to be of the utmost importance on the Atlantic and Pacific coasts, in spite of the provision of new facilities in the central provinces. The facilities at Halifax, Saint John and in the St. Lawrence river are of fundamental importance. While we would never take the position that facilities should not be expanded as they are required in other parts of Canada, we must insist that the facilities on the Atlantic and Pacific coasts be maintained because of their national value. As the needs require, they should be expanded and developed.

Over the last two years a great deal has been said in this house concerning the decentralization of industry. One thing about the St. Lawrence seaway and power project that worries the maritime provinces is that it appears to have a strong centralizing influence. I believe the government recognizes the importance of carrying out, in so far as it is possible, an orderly and economic policy of decentralizing the industry of this country. I should like to suggest that in the important developments which will follow the opening of the seaway, and the development of power facilities which will be a companion to that project, the important objective of the decentralization of industry be not forgotten. Steps should be taken to see that this policy is followed in every field in which it can be followed.

The hon. member for Royal (Mr. Brooks) spoke with feeling earlier in this debate about the use in this country of our natural resources, and the importance of seeing that great resources such as the iron ore bodies in Labrador and Quebec are used and processed in this country. That is a sentiment with which we all can agree. He asked why it was that according to present indications this iron ore will go to the United States to supply the needs of the steel mills in the central part of that country. The hon. member suggested that there was some direct connection between the development of the seaway project and the use of those iron ore deposits for that purpose. I believe he is probably correct when he says there is some direct connection between those two propositions. After all, when transportation facilities exist they create traffic, and the need for the movement of traffic creates transportation facilities. However, I should like to point out that in considering the development of the tremendous volume of iron ore situated in the central part of Quebec and Labrador, we must remember that it would be impossible to conceive the amount of capital that might be required to make those resources available to an industry which could not possibly take the volume of the product which would be required to make that development economic.

I wonder, Mr. Speaker, how many years it would be before there would be any possibility of undertaking the tremendous job of making these iron ore resources available to a purely Canadian steel industry. I should think it would be a matter of generations. However, under present conditions the existence of a demand in the United States for large yearly supplies of iron ore will make it possible to develop from these resources, in the first year of operation, something like 10 million tons of ore. I foresee that once that development has been undertaken, and once that ore is flowing down the railroad to Seven Islands and to tidewater, it will create a situation which should provide companies and individuals in the maritime provinces with an opportunity to show their initiative in the employment of supplies of iron ore of a very acceptable nature for the development of our basic steel industry.

Representing the city of Halifax, as I do, I should at least make some reference to the effect which this great project may have on ocean-borne trade. In this connection the Minister of Transport said, as recorded on page 1577 of *Hansard* for December 4, 1951:

> In this connection it may be of interest to note that ocean-going vessels are not expected to play a major role on the seaway. They may very well enter in some numbers, to be sure. But in the circumstances I have outlined it would appear that an ocean vessel would not enter unless it had an inbound cargo as well as an outbound offering. No doubt there will be those that would have this advantage, but otherwise most of them will find it more attractive to pick up their cargoes at Montreal or some other transfer point.

I think this shows that, so far as can be foreseen at the present time, the indications are that the construction and the use of this seaway will not have a significant effect upon the present pattern of the handling of Canada's export trade. In Halifax we have the disability of a seasonal port business. But I think the normal expectation would be that the pattern of this business will not be fundamentally changed by the existence of the seaway, and that we can look forward to some substantial increase in the winter traffic through Canadian Atlantic ports by reason of the expected increase in the general export business of this country which will be assisted and influenced by the existence of the seaway.

The extremely important element of cheap power has also been mentioned in this debate. The development of hydroelectric power has

been of tremendous advantage to the provinces of this country which are so magnificently endowed with those resources. However, they are resources much in the nature of coal fields, oil wells or other resources of that kind. We in the maritime provinces certainly are not well endowed in the field of hydroelectric power. We shall have to turn more and more to the development of power by other means which are as cheap as we may be able to devise. However, we have never taken the attitude that, just because we do not possess these great natural advantages, those fortunate enough to possess them should not develop the resources that lie within their borders. I think that same argument applies to the development of the tremendous sources of power which, as has already been pointed out, are now running to waste to no advantage to anybody. However, I think the principle must be maintained, Mr. Speaker, that the cost of the development of this power must be borne by the people who will use it, and who will reap the advantage from it.

As to the cost of this development, I should like to point out that both as to the power development and the seaway, the proposal is for a self-liquidating project which will not be a burden upon the general revenues of this country and which will not be paid for by the taxpayers generally. The existence in this country of a magnificent system of inland waterways which have been paid for and maintained out of the general revenues of the country has for many years been a disability to the maritime provinces, which were not in a position to get any direct benefit from the existence and the maintenance of works of this kind. If the proposal for the seaway were to be of that nature, we would have to oppose that feature most firmly indeed. That, however, is not part of this proposal; and it should be remembered by all that this undertaking will not be a charge upon the ordinary revenues of Canada.

That is all I propose to say on this matter at this time, Mr. Speaker. I propose to support this motion on the basis of the few remarks I have made. I assure you that we will follow with the greatest interest the development of this matter both with the idea of forwarding the development of Canada in every way which may be proper and at the same time protecting the essential interests of the maritime provinces.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, I am sure the pattern of this debate is becoming painfully familiar to the Minister of Transport (Mr. Chevrier) and to him must be somewhat reminiscent of the debate upon the railway bills, in which he heard much talk about the plight of the maritimes. Even the hon. member for Halifax (Mr. Dickey) also made an address at that time along somewhat the same pattern as the one he has just made. All I can say to the Minister of Transport is that if he listens this time to the representations we make as carefully as he did during that former debate, and if he acts with as much kindness and generosity towards us, we will make him an honorary member of the maritime provinces association.

It is difficult to speak on this proposal in a critical way. One is open to criticism for being an isolationist, a maritimer or a small Canadian. It is particularly difficult to speak in a critical way on this matter when obviously the views which one expresses may not be held by the great majority of the members of this house; and it is quite obvious that they are not. Nevertheless, coming as I do from the maritime provinces and with certain definite mental reservations, at any rate, I feel that I must express these views at this time.

There is one matter I should like to raise at the outset—and it was referred to by the hon. member for Halifax a moment ago—namely the question of the cost of this undertaking. Frankly I am far from satisfied with any information we have so far received with respect to the cost. If, as I understood the hon. member for Halifax to imply, this is not going to cost the treasury of Canada anything, then certainly I would ask the Minister of Transport to give that assurance when he closes this debate. We have heard talk about tolls, and it has been suggested that revenue would be derived therefrom. Frankly I doubt if the minister is in a position to give any assurance as to the quantum of money which will be derived from tolls or to suggest that those would provide for the liquidating of the enterprise as a whole. Obviously the hydro angle would be a self-liquidating enterprise, we will assume. But I have here clippings galore, with which I am not going to bore the house at the moment, from shipping associations and various groups such as that, all pointing out that it would be impossible to charge tolls which would make this a financially profitable venture, or even a liquidating or an operating one. Not at this stage, of course, during debate on the resolution but when we are in committee on the bill itself I would ask that the minister be specific as to what is anticipated with respect to tolls on traffic which will go through these canals, whether the tolls are going to be applied to all traffic or only to some. I have read the debate which took place before the United States congressional committee, and there it was

stated that no tolls would be levied upon traffic which came through the other canals. I do not know whether that statement is right or not, but there is a great deal of vagueness and uncertainty with respect to the matter. I must also say that it is not a matter with which the minister dealt clearly in that admirable speech he made the day before yesterday. The impression I gained from reading his speech was that he found so many things on which he should speak that he omitted to speak with respect to the costs of this undertaking. Not only is there the operating cost; there is the capital cost. We have a conglomeration of figures, of suggestions and estimates, but nothing specific whatsoever. We are told: if you combine hydro and navigation you get so much; if you have co-operation between the United States and Canada you get so much, and if you have this and that you get some other treatment. But nowhere have I seen a definite estimate. In the resolution we have the creation of an authority and the empowering of that authority to spend so much money. Is that all that is contemplated? How much more is it estimated that it will cost to build this enterprise? What is the situation if the United States remains out?

As I understand it, there were discussions during which it was suggested that if this were a joint enterprise the United States would contribute part of the amount which we have already expended on former capital works, certain parts of the Welland canal, and that has been included in these figures. That we know. But if the United States stays out what is the situation, Mr. Speaker? All I am suggesting is that at the appropriate stage this house will expect from the minister a very clearly defined statement of the financial position of this enterprise, as to its capital cost, as to the operating cost and as to where the money is to be derived from to operate it. What will be the tolls imposed on what traffic, and what proportion of the operating expenses will be met by those tolls? That is one general matter on which we will look forward to hearing the minister at a later date.

There is another general observation that I should like to make, Mr. Speaker, one which is perhaps not too popular here. I say it with deference, and I say it sincerely. I must say that the minister did not stress it too much the day before yesterday. Personally I am rather weary of hearing this justified as a defence measure. Obviously we intend to get more steel production some day, and as steel is essential to defence then to that extent I suppose it may be termed a defence measure. Well, I have before me a copy of the *Financial Post* of August of this year, which contains a leading article written by Mr. Ken Wilson, an authority whom I think most people would accept. I notice in it he says it will take eight years at least before this seaway can be brought into operation, and it will take six years before the hydro development can be completed. Now, Mr. Speaker, if our war effort is harnessed to such a slow, leisurely pace as that then I think the suggestion made in this country is most unfortunate. We heard the Prime Minister (Mr. St. Laurent) speaking to the nation over the radio the other night. We heard the Minister of National Defence (Mr. Claxton), speaking in this house within the last forty-eight hours, emphasizing the need of more men and the fact that this country was facing an emergency with which it had to deal. How do you combine that statement with this other one that it is essential to our war effort? Yet, it is something that does not materialize in one phase until six years from now and in another one until eight years from now. I think frankly it is part of the propaganda which is being used to sell this enterprise to this country. It makes a very plausible argument, but I do suggest that it is not in keeping with the realities of the situation.

I am not going to enter into a discussion at this time as to the relative defence qualifications of this canal with respect to the easy shipment by water to the Atlantic coast; but it has been suggested that by inland waterways you have absolute protection and by other shipment you face great danger. There is a real question about that. Why, Mr. Speaker, are we apparently erecting a network of radar stations in this nation? Why do we need large sums of money in the estimates for civilian defence? We are not anticipating attacks by submarine in the city of Ottawa and in the city of Winnipeg; we are anticipating attacks from the air. Apparently the suggestion is that planes may come over and pinpoint a refinery at Sudbury or an oil well at Leduc, yet they may miss completely the vast network of waterways which is contemplated by this resolution. I do not think it is a reasonable proposition. That could be justified only if the same fog rises from these waters as sometimes has been created by the propaganda which is released.

There is another general observation which I should like to make because I come from the east, as some others do. I think our position is relatively analogous to that of the eastern seaboard of the United States. Some will say: You are a little Canadian. There are Americans in the House of Representatives and the Senate of the United States who come from the Atlantic seaboard. As I said, I have read the debates which have taken

place in the committees there, and as I recall it every member of either party representing the Atlantic seaboard in these congressional committees was opposed to a similar resolution with which they were dealing at that time. They have taken that attitude not because they are little Americans, but because they thought it was prejudicial to the interests of the Atlantic seaboard of the United States. If they were justified in that stand then I suggest that possibly there is some justification for the same position that we take here.

It is true that the opposition has diminished in this country; it is true that fewer voices are being raised. There is no questioning that whatever. I sometimes wonder whether that is owing to the vast influence of government entering into all sorts of organizations, industries and even municipal affairs, where possibly criticisms are not voiced which would have been voiced heretofore. At any rate you do have that opposition there, and it is one that I think we should recognize.

What may be the results of this action? One does not want to be positive in this debate, as I think the minister pointed out in his own address. This is a matter dealing with the future, and far be it from me to make specific declarations of gloom, disaster or abundant promises arising from it. But I think there are certain consequences one can suggest which would inevitably follow; and in this I follow very largely the thoughts which have been expressed by the hon. member for Cape Breton South (Mr. Gillis). I do not think there is any question in the world, Mr. Speaker, but that this will adversely affect the coal industry of Cape Breton. There can be no question about that because at the moment coal from Cape Breton moves by water up the St. Lawrence river to Quebec and through an area that may be termed the Quebec region. United States coal, operating back and forth across the great lakes, cannot come down the St. Lawrence without having to be reloaded into those small barges, and the expense is such that it is not done. Once you have your seaway established I suggest that United States coal, coming out of the great lakes, will come down the St. Lawrence river to the city of Quebec, and to those areas which are now being serviced by Nova Scotian coal, and the result must be unfortunate to the Nova Scotia coal mining industry. If that follows it will also be unfortunate for the agricultural industry of the maritimes and of Nova Scotia, because to some considerable extent we are dependent upon the markets of the industrial area of Cape Breton with respect to many agricultural products in Nova Scotia.

I suggest also with great deference to the Minister of Transport, who is an authority on this matter and with whom I would not want to quarrel or argue, that there must be some adverse effects for the railways as well. The minister said there would not be. He said: You are going to develop a great deal of industry and an increase in production, and that will result in greater traffic to the railways. It is a plausible argument, Mr. Speaker, and one which I would not completely deny. But I would ask the minister: Where is your concentrated area of population? It is in this area of the great lakes and the St. Lawrence basin, is it not? What will happen? You will get the result of this increased production moved by water to various centres along that great waterway of which he spoke. Then what happens? It will be distributed from there by truck on both sides of the river and both sides of the lake, to all the adjacent areas. I suggest that the railways will get but very little of this increased traffic in the concentrated areas of population of Canada. They will, of course, have to carry freight to the outlying portions of the west and the maritime provinces; and what will happen? The freight rate will have to be increased in order that they may do so. The minister himself said, with a degree of optimism which I would like to emulate, that we would be shipping goods by water from the maritimes to the head of the lakes. I think it is possible that casual shipments will be made. But, as the minister himself pointed out, shipment by water is not a one-way route. Ships are not going to load and come back empty. We will have those ships operating only when they are carrying a load one way and bringing a return load the other way. I suggest there will be very few of those shipments made from maritime ports to the head of the lakes. What goods are moved will be at the expense of the railways. After all, one does not have to be very old to remember that ten or fifteen years ago there was a great problem confronting this nation. It was not the problem of defence or the problem of war; it was the problem of transportation. The Canadian Pacific Railway was facing financial troubles and had to come to the government, to parliament, for assistance. The Canadian National Railways were looked upon as a conglomerate lot, draining the public treasury of money. Then there was enforced co-operation; and we dealt with one of those bills the other day. It was popular to say that in our transportation facilities we were overbuilt for the next fifty or seventy-five years, and that we were facing disaster because of that condition.

Then came the war and ten years of an inflationary boom. Now we are proposing to build another great transportation system

which will compete with the railways to a greater extent than ever before. I suggest to the house that, given a reduction of the present level of production, and given a return to former conditions—and one does not wish to describe them as normal—given a return to conditions which prevailed before the war, the transportation facilities of this country will be facing problems which will make it most difficult for them to carry on, and which will have been accentuated by this development.

Then there is another problem—and perhaps it is a psychological one—which confronts the maritimes. The hon. member for Halifax (Mr. Dickey) suggested it. I refer to the whole problem of the production of steel. In the maritimes, rightly or wrongly, we have had the feeling for many years that the steel industry, based as it was on iron ore from Labrador and limestone and coal in Cape Breton, could develop Cape Breton into the rough equivalent of a Canadian Pittsburgh. That is what we believed; that is what we still believe. Now what do we see? The main argument advanced for this waterway is that it will facilitate the shipment of iron ore to mills at the head of the lakes. One cannot accept that with too great a degree of equanimity. I can understand why the people of the maritime provinces resent the implication contained therein. I say there is a real danger for any government that progresses too far along that road and recognizes or admits that these iron ores should be exported to the United States over an indefinite future.

In that respect my leader yesterday afternoon made our position abundantly clear. I wish to support what he said in that connection, because there is a belief which could be developed into an emotional feeling in this country—and emotional feelings are dangerous as applied to governments or to any other group—that we are being exploited to a certain extent. We recognize the necessity for the maintenance of contractual liabilities. We admit all that was said by the hon. member for Halifax about American capital coming in. But we do say that the government, through the Minister of Transport, should say in this debate that adequate steps will be taken to safeguard our iron ore, so that having fulfilled our contractual obligations to the United States quantities of steel will still be reserved for manufacture in Canada, and particularly in the maritime provinces.

Give us heavy industry and secondary industry will follow. That is our problem in the maritimes, and we believe this is an opportunity to rectify it. That is the feeling against this whole proposition today. As I have said, to some extent it may be psychological; but the fact that it is psychological makes it none the less real. Certainly the Minister of Trade and Commerce (Mr. Howe) did not relieve that feeling when he suggested one day, apparently with great horror, that if this seaway were not built the steel industry would have to migrate to the Atlantic seaboard. Well, let me point out that in the United States three vast steel plants are now being erected on the Atlantic seaboard. What is good for the Americans in this respect would also be good for Canadians. Steel does not follow industry; industry follows steel. If we get a steel industry located in the maritime provinces we will have other industries following it. That is something I trust the minister and the government will bear in mind when they are dealing with this matter.

So far as our ports are concerned, to a large extent I agree with the hon. member for Halifax. I think the effect on those ports has been exaggerated. After all, Halifax and Saint John are winter ports. The other ports along the St. Lawence are used in the summer, as are the ports of Montreal and Toronto. But in the winter the ports on the Atlantic seaboard should be used as they have been in the past, and I doubt if there would be any adverse effect upon the maritime provinces in that respect.

Then, of course, there is the financial question. That may not be so important, but if the waterway is built we will have to bear part of the cost of the undertaking—unless the minister qualifies that to some extent in his speech later on. Why should we be asked to bear part of the cost of an undertaking which militates against our welfare? Why should we pay part of the cost of an undertaking which makes no contribution whatsoever to the solution of our problems, on a national basis? We are not small Canadians. We are not asking special concessions. But we do say—and in this I join with the hon. member for Cape Breton South and others—that this should be considered as part of a national plan. If it were considered on that basis we would be prepared to accept it, provided we are shown that in the national plan our special problems will receive consideration and fair treatment. But there is no suggestion of that whatsoever. The discussion thus far has been carried on on the basis of this development being something that will solve the hydroelectric power problem in Ontario, which I think Ontario might very well solve herself if she were free to

do so. There has been mention that there will be great industrial development around the lakes. I do not believe I would be reflecting unduly upon that development if I were to suggest that the development and industrialization south of the border, on the United States side, will be far greater. They will benefit from this to an even greater extent than will the cities on the Canadian side. Yet we are paying for it. I saw a figure expressed by a United States engineer the other day, who said that 90 per cent of the benefits from this seaway development would enure to United States cities, United States industries and United States manufacturers. Yet Canada is paying the whole shot.

It has been suggested that we are winning in some sort of game in which we are bluffing the Americans by saying we will go ahead alone. I am sure we are proud of our developments, and we are proud the Prime Minister was able to go to Washington. The shock he gave them over there was a thrill for all Canadians. But, irrespective of that, the fact remains that United States industry which is buying raw material, manufacturing it and shipping it out is in a position to benefit far more from this development than are any Canadian industries.

Hon. members to my left, from the beginning, have said that this will assist in the shipment of wheat, and that it will help the wheat producers of the west. That is an argument I should like to accept. I know nothing about the production of wheat and less about its marketing, but my thought has been that the marketing of wheat is settled not by the farmer on the prairies but by the buyer somewhere else. In fact I have heard it suggested in the past that it was settled by the Winnipeg grain exchange, when that body has been criticized from time to time. It may be that there will be a saving of four cents per bushel, but who is going to profit from that? Will it be the farmer in the west?

An hon. Member: Absolutely.

Mr. Nowlan: I just hope the hon. member is right. How can they profit from it when the British government buys it and they agree to the price? Without entering into any argument on the technicalities of marketing wheat, I suggest that if there is a saving, and I think there may be, that saving will enure to the purchaser on the other side of the water and to the middleman who handles the wheat. I say to my hon. friends that it may happen that instead of profiting from it they will find the price of wheat lowered because the cost of transportation is lowered, and consequently they will have to sell at a lower price than they are receiving today. I hope that I am wrong, but I am suggesting that is a possibility which has been argued by many people who I think are greater authorities than anyone sitting in this house right now, outside of the Minister of Transport (Mr. Chevrier). I am giving it as my own impression of something one should consider.

There is another matter I should like to mention. I am glad to see the hon. member for Assiniboia (Mr. Argue) is here. I have heard him speak many times in the house, and properly so, about the decentralization of industry, how industry should be decentralized throughout this country and particularly in Saskatchewan. I suggest to him that when this goes through the opportunity for the decentralization of industry will be a thing of the past. Industry will become more and more centralized. He can bid good-bye to Churchill. Possibly that is where the Minister of Transport intends to get the steel to be used for this project, by tearing up the railroad now running to Churchill. Certainly that route will not be used, that route will be a thing of the past when this waterway goes through.

Mr. Ferrie: Do not be so small.

Mr. Nowlan: We will see what the future has to say about that. I am not being small; I am presenting an argument. I suggest that we in the maritimes are prepared to accept this if it is to be part of a national plan, an over-all plan whereby the needs of all Canada will be recognized and proper arrangements made therefor. We realize that this is a vast nation and that there are bound to be sectional differences, that there are bound to be unequal opportunities. I suggest that any government in the future, particularly one which assumes the responsibility for this gigantic project, must bring it forward as part of a national plan.

One thing said by the minister the other day rather shocked me. We are not shocked when the Minister of Trade and Commerce (Mr. Howe) says something because we are getting used to being shocked by the things he says and one does not expect to take them too seriously. But the Minister of Transport is a gentleman, he is an astute minister who usually holds the house in the hollow of his hand. The other afternoon he used as one of his arguments as to why this scheme should be accepted the fact that the shipbuilding industry will be moved to the head of the great lakes. Not satisfied with losing a steel industry, not satisfied with the fact that the decentralization of industry

about which so much has been said is not being recognized at all, we are faced with the bland assumption that the shipbuilding industry is going to be transferred there.

Mr. Chevrier: I am sure the hon. gentleman does not want to misquote me or say by inference something that I did not say. At the time I was giving four reasons why the project was beneficial from the point of view of defence. One reason I gave was that it would create a shipbuilding and ship repair industry in the great lakes in wartime. That does not by any stretch of the imagination indicate that shipbuilding will be taken away either from the St. Lawrence yards or from the Halifax or Saint John yards.

Mr. Nowlan: I realize that shipbuilding is a private industry, and I realize that no government can transfer shipbuilding to the head of the lakes or elsewhere, but I do suggest that at least it was not tactful at this stage of the proceedings to raise the red flag of shipbuilding. Shades of Samuel Cunard, shades of the Nova Scotia flag and the great ships we have built and which have sailed the oceans of the world! Regardless of what may happen in wartime, I suggest that the minister is a little optimistic with regard to the shipbuilding industry. It may be that instead of having a shipbuilding industry at the head of the lakes it will be found that the ships will be built on the Clyde or the Elbe on the other side of the water and sent into the great lakes, and that any shipbuilding industry now at the head of the lakes might well vanish.

There are other projects which should be made part of a national plan, some of which were suggested by the hon. member for Cape Breton South. Reference has been made to the 'Quoddy project and the benefits that would accrue to Nova Scotia. I know nothing about engineering, so I cannot say whether power can be developed and transported such great distances. But anything that would be of advantage to the maritimes should be investigated in evolving a national plan. There is the Chignecto canal, and also another matter in my constituency, the development of power by the great rush of waters past cape Split. Hundreds of thousands of horsepower could be developed there.

Then there is one other thing to be considered. I do not want to appear to be living in a Buck Rogers age, but frankly I would hate to be a minister who would suggest the expenditure of hundreds of millions of dollars in developing hydro power in this day and age when we have a statement by our own atomic energy commission that the development of power for civilian use by atomic means is a possibility within the next five years. There is one thing the government of Canada must do, regardless of the possible development of power at 'Quoddy or at cape Split; that is, investigate the possibilities of the development of atomic energy to be used in those places which would benefit most and thus be compensated for their lack of power.

Mr. Chevrier: May I suggest to the hon. gentleman that the minister has not suggested that one red nickel be spent for power.

Mr. Nowlan: I realize that this is a combined power and navigation project.

Mr. Knowles: Red cent.

Mr. Chevrier: I reduce it accordingly.

Mr. Nowlan: The two must run closely together, and I am quite sure considerably more than a cent or a nickel will have to be used in the effort. As I said, we are not opposing this matter at this stage, at any rate, but we do represent people whose feelings are definitely aroused. Unless some of our doubts are removed, unless the position can be made clear, we may have to take action at a later stage of this resolution when the bill is before the house.

If this project can be developed and recognized as part of a national scheme, then I think it will be accepted by all parts of Canada. If it is simply to be a project which is to have only local merit, if it is to be something which will result in further centralization of industry and the increase rather than diminution of disadvantages faced by other parts of Canada, then it is not something that will meet with the approval of many people in outlying parts of this country.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, for many years I have heard the great St. Lawrence waterway project discussed. I was very intimate with the late O. E. Fleming of Windsor who for over thirty years sat on a commission investigating this matter. On many occasions I had the privilege of discussing with him the great advantages which he anticipated would result from the development of the St. Lawrence waterway. In later years he changed his opinion because of the terrific cost involved for the taxpayer of Canada. I have talked to many citizens in the beautiful cities of

Toronto, Windsor, Sarnia, and my home city of Collingwood. Some of them say: Well we are developing rapidly now but when the St. Lawrence waterway is put through industries will pop up like mushrooms; houses will do the same thing, and we will not know what to do with our wealth.

Level-headed men and women seem to forget that progress is only made by labour and great foresight. One national project of this kind, not coupled with terrific national planning, in my opinion is absolutely useless. Right now the people of Canada are confronted with a problem. For instance, bacon of comparable quality to ours can be purchased in stores in the United States for 45 to 47 cents a pound. You may ask what that has to do with the St. Lawrence waterway. I will tell you in a minute. The price in Canada is 75 to 80 cents a pound. Shortening is 3 pounds for 97 cents in the United States compared with 40 cents a pound in Canada. Coffee can be purchased in the United States for 78 to 85 cents per pound compared with $1 in Canada. Eggs are as low as 49 cents per dozen in the chain stores in the United States contrasted with the recent price of 80 cents in Canada. Such prices are almost necessary in Canada for those who participate in paying our taxes. The grocer, the butcher and the automobile producer must pay terrific taxes in Canada for this country to make progress. We have such a small population compared with the United States. People in Canada pay the federal government $400 in taxes on an automobile compared with a tax of $80 on a similar car in the United States.

I do not blame our grocers and butchers for charging the prices they need to get in order to meet the taxes that are now being imposed upon the public of Canada. Cigarettes are a good example. The Minister of Finance (Mr. Abbott), in search of shekels with which to run the country, imposed taxes which have brought about the cigarette bootlegger. The cigarette bootlegger makes a profit even though he has to spend some time in jail because some people would rather buy cigarettes from him than pay the exorbitant taxes imposed on cigarettes in Canada.

The people of Ontario—and I come from Ontario—with whom I have talked about the St. Lawrence waterway are very enthusiastic. Last evening in the city of Toronto I was talking to a man of some substance. He is the manager of a large corporation, and I complimented him on the steady growth of his city. He said "Oh, wait till the St. Lawrence waterway is finished." The benefits to be derived from it seem to be on everybody's tongue. I said: "Just how will it benefit the city of Toronto?" He said, "Well, it will benefit Toronto; Montreal will be out". I said, "Do you realize Montreal is the end of the bottleneck, the end of the line so far as shipping is concerned today?" I pointed out that ships must stop there because they cannot proceed through the shallow waters of the St. Lawrence. That is why they stop at Montreal. It is the end of the line. "But do you mean to tell me the city of Toronto will be the end of the line if the St. Lawrence waterway is opened?" "Oh, no," I said. "Do you realize that the men on the grain boats loaded at Fort William are not going to stop off to shake hands with the mayor of Toronto? Toronto will never see them." I said, "You talk as if you can visualize the *Queen Mary* coming up to Toronto and dropping off passengers there." He said, "Well, maybe they will winter her here." Why would they winter in the city of Toronto? Why would foghorns hail the arrival of great passenger traffic in Toronto? What are they going to ship to Europe from Toronto? Let us be realistic about it. Sure, they are going to ship tons and tons of grain from Fort William if Europe will buy it, but the price will be a big factor as to whether or not they buy grain. Without the St. Lawrence waterway having anything to do with it, we know the taxpayers of Canada had to subsidize the western farmers to the tune of $65 million because the British people would not increase their price

Mr. Blackmore: That is not right.

Mr. Ferguson: According to the Minister of Trade and Commerce (Mr. Howe), they paid a proper price. He said they paid ample for it. The Minister of Agriculture (Mr. Gardiner) disagreed. The government got together—

Mr. Knowles: Did they?

Mr. Ferguson: —and rubber stamped the payment of $65 million. It was the buyer who set the price. It was the buyer who said: That is the price we will pay irrespective of the freight. The people of western Canada believe this great waterway is going to give them a much greater price for their wheat. That is not so at all. It will be the buyer who will set the price, and if Mr. Stalin lifts the iron curtain the British will be buying in Russia the same as they have in the past. Grain may accumulate in the western provinces. The time is not so far distant that we cannot remember when grain was stacked all over the place in western Canada. Freight rates had nothing to do with that. There were no buyers in Europe. The barns, granaries and elevators were bulging.

The hon. member for Halifax (Mr. Dickey) made the statement in the house that this project was not going to cost the taxpayers any money. I think he is the only man who has the secret of how to grow money on

trees. There was never a dollar expended in Canada that was not a cost to the taxpayers.

Mr. Blackmore: That is not right.

Mr. Ferguson: It does not come from the air. I know the Social Crediters have new ideas about money. So have I; but it is real money. This project is going to cost the taxpayers money. Therefore they are going to have to pay greater taxes, instead of having taxes reduced. The people of the United States do not want to contribute a dollar towards this deeper waterway. Why should they if the Canadian taxpayer will pay for it? The Minister of Transport (Mr. Chevrier) has not even given a partial guarantee of any positive advantages Canada will derive from the waterway. Undoubtedly the power end of this transaction is necessary, and will pay for itself in time.

The commodity which is shipped out of Canada in the largest quantity today is wheat. It is shipped to Europe as European buyers can afford to pay for it. Just what portion of the great lakes is going to benefit tremendously from this development? The hon. member for Fort William (Mr. McIvor) talks about great steel plants at Fort William. If this project were being developed at the same time as other necessary projects in Canada, I could see where there would probably be great advantages. So far I am convinced it will only be of great advantage to the United States steel companies. I cannot see how we are going to develop our steel mills to any extent. In today's newspaper I noticed an advertisement of A. E. Ames and Company soliciting the purchase of Atlas steel first mortgage bonds and debentures. The total issue is for $8 million and is for the expansion of their plant. I understand that the Steel Company of Canada at Hamilton is now working on an expansion program totalling $50 million. Canadians buy a fair quantity of steel in Canada, and then go around with their hat in their hand asking the United States to please give them a little steel because it is badly needed.

If the dominion government would lend Atlas Steel $8 million, not at 4¾ per cent but at 1½ per cent, it would create employment in Canada and help in the fabrication of Canadian raw material. Then we would not have to beg from the United States. I believe such a program would have the full support of all citizens. If the government had offered to lend the Steel Company of Canada $50 million at ¼ of 1 per cent to encourage the expansion of plants for the fabrication of steel, so we would not be subservient to the United States as we have been for this most necessary product, they would have been better advised than putting the cart before the horse and advocating this gigantic seaway plan. There are so many necessary projects in Canada which have not been completed, such as the irrigation scheme in Saskatchewan. Almost every Canadian must be sick at heart when he realizes that the population of that great province has dropped this year. How in the world can the other provinces in Canada progress when a province such as Saskatchewan actually has a drop in population? The maritime provinces have coal. There is iron ore in Quebec and Labrador, but it is all controlled by United States capital. Canadians will become again the drawers of water and tillers of the soil, while the profits from these products go to our lovely cousins to the south.

I am glad the people of the United States are investing their money in Canada, but I should like Canadian investors to be encouraged to put their money into these things so they will reap the profits and reinvest them in Canadian enterprise. I should like to see steel plants developed in the maritimes and in Quebec. I should like to see them developed in Fort William. I believe steel plants could be developed in Fort William today just as they were developed at Hamilton, Sault Ste. Marie and Welland, Ontario. What is wrong with the people of Fort William? I ask the hon. member why these plants were not developed long ago. Is the mere fact that they have a deeper waterway going to cause a boom in Fort William? I can recall forty years ago when all the real estate men for hundreds of miles around were flocking into Fort William and Port Arthur. It was going to be another Chicago in ten years, but it is still not a Chicago. Many people bought property there at exorbitant prices, but today property values are far below those prices. If cities like Port Arthur and Fort William have a sane sensible growth they will not skyrocket just because a project like the St. Lawrence waterway has been completed. The taxpayer of Fort William will have to pay his share of that development. Just how much is it going to mean to Fort William and Port Arthur?

Ships are being built today in Fort William and Collingwood because those boats are too large to go up and down the present St. Lawrence waterway. A $4 million tanker is being launched at Collingwood today. I believe it would have been built in Italy, Germany or England if there had been a deeper St. Lawrence waterway. If this scheme goes through we may see grass growing again in the shipyards on the great lakes. I believe we shall see many of our inland sailors laid off and supplanted by cheaper

European sailors. I predict that with the completion of this seaway most of our grain will go out in foreign bottoms, manned by foreign sailors. A terrible blow will be dealt to the ports on the great lakes. I should like to ask the members of this house exactly what we know about the benefits that will be derived from this project. I feel that 90 per cent of the members are in favour of it. I am in favour of the hydro development being completed as quickly as possible. I am in favour of the St. Lawrence seaway if I can see great advantages to counterbalance the heavy expenditures. I believe there are other parts of Canada upon which money should be expended from which immediate and positive benefits would be derived. Unless we call upon the taxpayers of Canada to dole out almost unbelievable sums of money in order to induce immigrants to come to this country, to construct factories and work in the factories, then this canal is years ahead of its time.

Today we are bringing in immigrants at the rate of about 100,000 a year, about 50 per cent of whom are children; and our taxpayers have to pay for their education. There may be 35,000 immigrants spread across Canada to help fill the need for labour in this country. I believe this government should have given greater guidance with regard to the over-all picture in Canada, in the development of industries and power projects in all provinces. But the great hullabaloo reminds me of a government which is sending up balloons constantly. When the public gets sick of one balloon they throw up another. One such balloon was that there would be no conscription; then there was conscription. Then they said: We will throw up the balloon of the baby bonus. Now they have another balloon, in my opinion, and that is the great St. Lawrence waterway. It is a great vote-getter. I hope all those who are talking in favour of it are satisfied that this government is going to look after the other projects in all provinces, that need looking after so badly. You know full well, Mr. Speaker, that the development of power and irrigation in Saskatchewan has been on the hooks for years. Now another commission is debating as to whether or not it will ever go through.

I should like to have a yes or no answer on these things. I should like to know whether we have gone to our limit in doing what we can for our maritime provinces. I am an Ontario man, but I know it is not a healthy condition to see Ontario booming ahead and at the same time the other provinces, whose prosperity is so necessary for an over-all great Canada, slipping back. That sort of thing simply cannot go on. I am speaking in fairness to the entire dominion of Canada, from my viewpoint. I hope that this government have given every consideration to such necessary things as immigration, the development of all of our provinces and a fair share of expenditures to them all rather than a concentration on this St. Lawrence waterway.

I am positive that some people in Toronto will say: There is the member for Simcoe North and he is against the great waterway. I feel it better to be against it rather than to be like a friend of mine who talked to me in Toronto last night, and who can visualize the *Queen Mary* in Toronto harbour. He can visualize all the concentration of shipping that is going to Montreal being dumped into Toronto. That is a fallacy. Why not make Windsor the great point, or Sarnia? Why not construct a new port on this canal down at lake Erie?

Mr. Knowles: Do not forget Collingwood.

Mr. Ferguson: Well, last but not least, Collingwood. Is this waterway going to affect our railroad system that we are constantly paying to keep going? Is the effect going to be such that there will be increased taxation to pay for the lack of freight on our railroads? I just wonder how many men in the House of Commons have given this matter a great deal of thought, outside of visualizing the continual stream of traffic up the St. Lawrence river, in to Toronto, through lake Erie, up the St. Clair river, in to Owen Sound, and every town booming on account of this seaway. I really think most of them have not given the matter thorough study, having regard to what we are not doing in other parts of Canada.

To me, this project is not worth anything running on its own. What freight are we actually going to ship to Europe outside of our wheat? Our manufactured products? The Europeans are down on their hands and knees now trying to ship us their manufactured products so they can buy our wheat. We all seem to think the St. Lawrence waterway is going to make all the manufacturing concerns of Ontario and Quebec boom, that they will load up these boats with goods, send them down the river and over to buyers, who cannot afford to pay for our products. The next thing will be that you will find this government wanting to lend money that they know they will never get back. We are doing that with regard to our wheat today. They will say: Buy our electric trains made in Owen Sound and Collingwood. We will lend you the money to buy them with. We have the deep waterway. We must use it. We spent the public's money on it. Two hundred and fifty million dollars? Watch it when it is

finished. I will go on record tonight as saying that it will cost closer to $400 million before it is finished in six, eight or ten years time. This country has only so much money to spend. The taxpayers can afford only so much.

Mr. Fraser: They are gouged now.

Mr. Gillis: They are going to be gouged some more.

Mr. Ferguson: Can they afford this expenditure? I am not trying to take some political stand on this subject. I am not trying to catch votes. I am trying to talk facts. Can the taxpayers of Canada, with a population of 14 million, afford this enterprise at the present time? Are there not many more essential things that we need?

I know western Canada. I know every part of it. I know this country from the border at the south to Hudson bay; I know it from Saint John to Vancouver. I have not said of Ontario that it is the greatest province in the world. I prefer to say that this could be the greatest country in the world. I prefer to say that our workers are getting top wages with United States labour. I prefer to say that a man can buy an automobile within reason in this country without being gouged $400 in taxes on his Ford car. I am speaking because I hope soon, owing to a greater population, taxes will be reduced due to the fact that we have a greater home market than we have today.

I would say: Go across the sparsely settled western provinces. I remember going across them with my father over fifty years ago, when he said to me: Son, when you are my age this country will have 50 million people. I have passed his age and he has passed to the great beyond, and we have 14 million people owing to nothing but lack of foresight on the part of the governments, both Conservative and Liberal, that we have had in power. We need in Canada today men like those who built the C.P.R. right across this country, who had vision and confidence, and who were willing to develop the gifts that God gave to Canadians in the way of great resources. This is not a gold mine in the St. Lawrence river. It is not an oil well. I believe all industries across this country should have been encouraged to develop themselves so they would all go along in harmony and this country would have developed into what it should be. I say that Canada's population today of 14 million people is an absolute disgrace to the planners of the past, particularly to the planners of the past 35 years. We have said that we do not want immigration here lest we be contaminated. My family have lived in this country for over 150 years; and when I cannot compete against a newcomer who cannot even speak my language, the sooner I walk into the river until my hat floats, the better.

I have heard men who had good positions say: We do not want a melting pot here as in the United States. I heard one man say it today. I have heard another man in my own constituency say: We do not want these foreigners; they will take our jobs. I just looked at him in utter disgust. Just imagine a man who has been educated at the expense of the taxpayers of this country and who speaks the language prevalent in this country being afraid that a man who cannot even speak his language and who has half his education is going to take his job away. I have had men say: Well, these newcomers do not eat as well as we do. Let me say this. They ought to visit some of my foreign friends, where they do not get their food out of tin cans. They get it from the back garden, and it is succulent food at that. It is probably far more healthy than the stuff most of our Canadians are trying to eat. Just one excuse after another is offered. It is selfishness that holds back the growth of this country. It is time we members of this House of Commons spoke our minds and stopped this nonsense of Canada being talked of as a melting pot. Let us go ahead and encourage immigration. Let us bring artisans out here as well as farmers. Let us show them what we want them to do. Let us give them an opportunity of doing it.

Not many months ago a doctor from Roumania arrived at our shores. His wife is a Viennese. There is one gentleman in the House of Commons who does not know what I am talking about. I have always advocated a loudspeaker system in this house so hon. gentlemen could hear the speeches. I am sure if that hon. member could hear what I am saying he would profit by it.

This doctor from Roumania to whom I referred, for the privilege of coming to Canada, the land of the free, had to wash dishes in a Gravenhurst sanatorium for one year. How can we expect our newcomers to tell their children what a great country we live in when they reflect back upon the sentence they had to serve on coming to the land of the free, namely washing dishes in a Gravenhurst sanatorium for one year. We are asking doctors to do that. That is the way we have been handling immigration. We should have a planned immigration scheme in this country. Bricklayers, carpenters and others should be coming here and being spread amongst all of the provinces of Canada to develop our country. Instead of doing that we are concentrating our thoughts on the St. Lawrence seaway. In my opinion the cart is being placed before the horse. I am not saying that it will not

be beneficial in years to come; but there are many items that are far more essential and on which the taxpayers' money could be spent at this time than the St. Lawrence waterway project.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

The Deputy Chairman: Shall the resolution carry?

Mr. Macdonnell (Greenwood): I wish to make a few comments on this, Mr. Chairman. They are really inspired by the remarks made this afternoon by the hon. member for Annapolis-Kings. I am going to vote for this resolution. I shall do it with certain questionings as to detail. It seems to me the leader of the opposition was right when he said that in a sense this is not a new plan, not a new design, not a new undertaking; it is merely to complete an existing undertaking. As I say, I propose to vote for it; but in saying that I should like to say also that I share some of the questions which have been raised as to whether this is going to be just as rosy all the way through as some people imagine. I could not help feeling this afternoon that the hon. member for Annapolis-Kings might have been warranted in raising certain questions as to whether this would immediately benefit the railways; whether it may be creating problems that none of us want to create. But I shall not take up the time of the committee on that. What I really want to do, speaking as an Ontario man, is say that I feel at the present time we are leaving our brethren from the maritimes in a position in which they should not be left.

We have listened to them this afternoon. We have heard the arguments they have made, and I do not think that we can regard them as trivial or unwarranted. Really all we have to say to them is: Come along. This is a big conception, a big project; it is going to be for the welfare of Canada, and you will be on the band wagon. You come along, and you will benefit like the rest of us. Well, the people in the maritimes have been hearing that for a long, long time, and I am not surprised that it sounds a little hollow. And although none of us intended it should be false, it may sound a little false to them. I do not mean that in the sense of being dishonest; I mean it is something which we may really intend, but which may never come true. I mean by that, it may never come true in any future near enough for them to be able to take much interest in it. There is no use talking to people who are going to live their lives in the next ten, twenty or thirty years and telling them that this will be a grand thing for their children or their grandchildren, and that they will benefit from it, because it is altogether likely that their children will have left the maritime provinces by that time.

It is not as if it were merely that they did not think this project would benefit them. They actually think it will do them harm, very substantial harm; and as one listens to them again, as I said a moment ago, it is awfully difficult to meet those arguments. The minister shakes his head. Perhaps he can meet them better than I can; but at any rate I am expressing my view for what it is worth. I find it very difficult to meet them. I will say this to the minister: No matter how persuasive he may be, I doubt very much whether even he will find arguments which are going to satisfy the people from the maritimes if things are left as they are at the moment. When I say "left as they are at the moment" what I mean is this. I submit the minister has done what has been done so often in the past. He is only holding out hopes to them that they will benefit. There is an exception to that. He pointed out that work would be provided in the maritimes by the iron ore production, but apart from that there was little enough hope. Indeed, as has been pointed out in the speeches which have been made, there was a great deal in his speech to alarm them and make them feel that actually not only would the seaway not help them but it would hurt them.

I want to go on from there to make this point. This afternoon the hon. member for Annapolis-Kings went a long way. I think he showed himself a true Canadian in his desire to find a common ground. He said in effect: "We want a common ground; we want to look at this in a broad sort of way. But there must be an over-all plan, not merely a plan which is going to come true in some vague far-off time which nobody can be sure of." In the past, of course, similar situations have existed; and I think in the past governments have been in difficulty because they did not have the means, unless they were going to abandon all their idea of government, to directly influence enterprises to establish here or there. They could do it to a small extent by taxation, but not to any very substantial extent.

My purpose in rising tonight, Mr. Chairman, is to point out that situation exists no longer; that the government now, if it wishes, has in its own hands the power to make definite statements as to what can be done, not this year, next year, sometime or never, but at once. My reason for saying that is what was explained to us this morning in the committee which is dealing with

defence expenditures. I wish to read briefly from some of the information which was given there, which will show what I mean when I say that government at this time has it in its own hands, if it wishes to take definite steps toward the end. This is not a new thing; I know it has been mentioned to this government again and again. They have been asked to spread out industry. Let me come to the point. Briefly—

Mr. Benidickson: Order. Has the committee made a report, Mr. Chairman?

Mr. Fulton: He is not talking about the committee's proceedings; he is talking about a document.

The Deputy Chairman: If the hon. member is referring to the proceedings before that committee, and if the committee has not yet reported to the house, it is not in order at this time to read from the proceedings.

Mr. Macdonnell (Greenwood): Then I will just give it of my own knowledge, Mr. Chairman. I believe it to be a fact that the defence production committee has spent $100 million on construction in the past six months, and presumably will spend more than that in the months to come.

Mr. Knowles: It is really the department, not the committee.

Mr. Macdonnell (Greenwood): The Department of Defence Production. The second point I wish to make is that a great deal of that expenditure is being made for the purpose of bringing into being new industries which are being developed on what is called the insurance plan. That is to say, if international affairs become worse we have to be in a position to quickly expand production. We must have plants developed for various purposes, which we can scarcely expect unassisted private enterprise to do. Therefore the government is stepping in. In certain cases it is providing buildings and in other cases it is providing tools. In various ways it is directly assisting the establishment of industries in various parts of this country to the tune, as I said, of $100 million in a six months period. And I suppose it is extremely likely that amount may accelerate.

Therefore I say we have to meet a situation which, so far as I am aware, has not existed in this country in the past. The government is able, if it wishes, to make definite commitments, definite assertions as to a plan which could be put into effect in the immediate future and which would do a great deal to allay the misgivings of our friends from the maritimes, which no one who has been in the house can doubt are very real. The minister thinks he can answer them, and he may answer them to his own satisfaction. But he will agree with me in this, I know, that it is not desirable that we should have a whole area of this country, an area inhabited by people whom we all respect as being among the very best, an area in which the people feel that fortune is against them and that they are not marching on with the progress of this country. They feel deep regret when they see their sons leaving their own provinces and coming to central Canada. I am sure no one regrets it more than the minister.

I come back to refer to what was said by the hon. member for Annapolis-Kings; that he wishes to take the broad view but points out the difficulties. The minister will remember that he said something like this: "If we could only have an over-all plan for all the people, it would be all right". The minister will agree that the over-all plan, except in so far as it affects the country west of Montreal, is rather nebulous. It embodies hopes which neither he nor I nor anybody else in this house thinks will satisfy the maritime members.

And so I say that, speaking as one from central Canada, I feel we have gone on long enough asking our friends from the maritimes to be content with just hopes for the future. Now the government has it in its power, with these tremendous expenditures it must make, to make a definite plan which would satisfy the maritimes and which, if announced now, might permit them to vote for this measure.

Mr. Green: Is the minister not making any reply to the comments of the hon. member for Greenwood or other hon. members who have taken part in this debate?

Mr. Chevrier: I would prefer, if I may, to reply not only to those comments but to the comments of all hon. members who have spoken thus far against the resolution. I would prefer to make those comments on the bill. I understood from the statement made yesterday by the leader of the opposition that he was prepared to consider both these resolutions at the same time. I also understood from him—perhaps I was mistaken; if I was, I shall take it back—that there might be a possibility of reaching the second reading stage of the bill with respect to power.

I believe the discussion on the first resolution has been fairly complete, and I would hope it might be possible to complete that discussion and get on to the resolution concerning power, and then to the bill. At that time I would be delighted to take up some time of the house, in fact a considerable portion of time, to make the necessary reply.

Mr. Green: Mr. Chairman, this is one of the most important measures to come before the Canadian House of Commons for decades. Questions have been raised today which merit a reply from the minister. I suggest this is not the proper time to take short-cuts, and that it would be in the interests of the country if the minister were to reply at this stage, as is the usual custom, rather than wait until we reach second reading. After all, at the resolution stage questions can be asked. I would urge that the minister deal with these matters now.

Mr. Chevrier: I am prepared to do so now. I had hoped to do so later, but if the committee feels that I should speak now I am prepared to proceed.

Mr. Browne (St. John's West): Are we dealing with the two resolutions now?

Mr. Green: No.

The Deputy Chairman: We are dealing with the resolution having to do with the deep waterway.

Mr. Chevrier: Mr. Chairman, I feel that perhaps at the outset I should commend the leaders of the house for the attitude they have taken in the debate. There can be no doubt that the statement by the leader of the opposition strongly supports the resolution; and, I take it, both resolutions. I must say, however, that I am somewhat surprised at the attitude of some hon. members who have taken part in the debate, because the discussions have not followed the course one usually sees. I have yet to hear anyone rise in his place and say that he is diametrically opposed to the scheme. Perhaps I should qualify that by saying that some members—two, if not three—have said, "We are all for this, if it is for the good of the country", and then have proceeded to make a forty-minute speech against it.

That is why I say we have witnessed a strange kind of debate. I would refer particularly to the hon. member for Annapolis-Kings, who took that particular attitude. His statement was that 90 per cent of the members in the house are for these resolutions, and that he would not put his knowledge against that of the others. Then he proceeded, with a list of things which I shall discuss later on, to give all the reasons why this development should not be carried out.

At least we must accept the fact that the hon. member for Cape Breton South started off by saying he was opposed to it, and then wound up by saying, Well, perhaps it was not too bad, after all.

Mr. Gillis: Mr. Chairman, I know the minister does not want to make an incorrect statement. That is correct, and the record will prove it. I said I was going to document evidence that was unalterably opposed to it, and that is what I did. Then this afternoon, in the last ten minutes I made my own statement, and I said I was not unalterably opposed to it.

Mr. Chevrier: I accept the hon. member's statement and his correction of my statement. Then I take his position to be this, that when he made his initial remarks they were to the effect that those whom he represents in the house were against it; but then, toward the end of his remarks, he gave his personal opinion as being favourable to it, on the whole.

Mr. Gillis: No, that is too all-inclusive. I did not refer to "everybody" I represent in the house. I called witnesses through documentary evidence from the mineworkers, the steelworkers, the municipalities and the like.

Mr. Chevrier: Well, I wish to go on with my statement.

Mr. Gillis: Well—

Mr. Chevrier: Just a moment, now.

Mr. Gillis: I am not going to sit here and let the minister put words in my mouth. As long as he keeps misinterpreting me, I will continue to interrupt.

Mr. Chevrier: Let me tell my hon. friend if that is the statement he makes, then I have no alternative but to accept it; and I do accept it. I shall deal with his arguments later on, and we will see how serious they are.

Then, in the remarks of the hon. member for Simcoe North, if anyone was listening to him, it was difficult to find out whether he was for or against.

Mr. Ferguson: I am glad to hear the minister say that at least he was listening. I made mighty sure he was listening, too.

Mr. Chevrier: I do not know whether he was for or against it, and I doubt if anyone else in the house knew whether he was for or against it, from what he said.

Mr. Ferguson: I am against it because I do not believe this government have developed the things they should have developed. I am against this until those things are done. There is no indecision about that; I am definitely against it.

Mr. Chevrier: Have I the floor, Mr. Chairman? I believe I have, and I should like to proceed. I am dealing with the remarks of

the hon. member for Simcoe North, and I say that no one who listened to him could make up his mind whether the hon. member was for or against it. I will quote his words, which I took down. He said, "I am for the power," and a little later on, "I am for the waterway provided I can see my way clear to support it."

Mr. Ferguson: That is right.

Mr. Chevrier: What that means I do not know, and I am sure members of this house do not know. That is why I prefaced my remarks with the statement that I thought this to be a rather strange debate. Most hon. members got up and said this was a good thing provided it was beneficial to all parts of Canada, and then many hon. members proceeded, either in their own words or with documented evidence, to give arguments against it. I would like to deal with the arguments that were given against it, and I do this in answer to what the hon. member for Greenwood said. I do not pretend that I shall be able to answer all his arguments or that I shall be able to satisfy members from the maritimes, but I shall attempt to answer the arguments as I understand them and I will do it with all the sincerity of purpose of which I am capable.

The hon. member for Cape Breton South began his remarks the other night by stating that the united mineworkers of his constituency were against it, and he put on the record seven reasons why they were against it. He then proceeded to say that they had made a series of careful researches over a period of time and found that they were against it. Why were they against it? Because it was going to be a danger to their livelihood. What I intend to say in reply to that is not said with the slightest idea of disparaging the united mineworkers. I am sure it will not be taken as such, either by them or by my friend.

Over the last fifty years Canada has been studying this project and has had at least ten or twelve reports strongly in favour of it. It began away back in 1919 when the international joint commission, after having given it the most careful study, decided that power and navigation should be developed on the St. Lawrence. Later on they appointed a joint board of United States and Canadian engineers which went into the matter most carefully and decided it was a good thing for Canada. Then later on both countries appointed a board composed of three Canadian engineers and three United States engineers who studied it for several years and came to the conclusion that it was a good thing for Canada from the point of view of engineering and economy as well. The international joint commission gave it further consideration and again reported in favour of it.

Then there was convened in Ottawa in 1928 a conference of Canadian engineers who gave it their unqualified approval. Later on—this will reply in part to some of the allegations made by the hon. member for Cape Breton South concerning the lukewarmness of the province of Quebec—a board composed of one Quebec engineer, one Ontario engineer and one federal engineer declared themselves in favour of this project.

In 1932 a treaty was signed by Canada and the United States known as the treaty of Washington. This supported the project, the only difference being that it was to be a two-stage development instead of one-stage, with a control dam. The Prime Minister of that time was a maritimer. Surely he must have weighed the arguments for and against the part of the country from which he had originally come. He declared himself in favour of the scheme. Then in 1941 a government headed by the late W. L. Mackenzie King signed the great lakes and St. Lawrence basin agreement. That was done only after careful consideration. Economic studies were made by various departments of government, a recent one being by the Department of Trade and Commerce which was made in 1951. After careful investigation they concluded that this was a good thing, not for one part but for all parts of Canada.

The last but not the least of the arguments which I think should be replied to and which was put forward not so much by the hon. member for Cape Breton South as by the hon. member for Royal, and the hon. member for Annapolis-Kings, was that by no stretch of the imagination could this be conceived as a defence project. They asked by what means this could be considered as being helpful to defence. My answer is that the permanent joint board on defence composed of United States and Canadian representatives gave this project most careful consideration. Let me read the evidence given by none other than Hon. Dean Acheson, Secretary of State of the United States of America, before the committee on public works of the United States congress. He said:

> Our reliance on Canada, and Canada's reliance on us, is not confined to the economic or political field. From a military point of view the defence of the United States cannot be conducted independently of the defence of Canada. The two countries compose a single defensive unit. This fact was officially recognized in 1940 when the permanent joint board on defence was established to consider means by which the United States and Canada could co-operate more fully for their common security. This board functions today with increasing effectiveness and earlier this month it made a

joint recommendation concerning the military value of the St. Lawrence seaway and power project. The board's statement is as follows:

"The board re-examined the St. Lawrence seaway and power project in the light of the serious international situation and the needs of the continental defence. The board also reaffirmed the value of the project in peacetime and considered anew its immediate importance in terms of the present-day defence of the northern half of this continent.

"Since the board's previous recommendations of May, 1947, and December, 1948, the international situation had deteriorated markedly. In the Far East, there had already been fighting which involved both Canada and the United States. Other dangerous situations which might lead to open combat involving our two nations existed in other parts of the world. It appeared that the free nations might be entering a period of protracted crisis during which it was imperative that our military strength be steadily increased.

"In view of these ominous circumstances, the board believed it had a duty again to recommend early construction of the St. Lawrence seaway and power project. The project would yield additional supplies of hydroelectric power—supplies which were already needed in the northeastern United States and eastern Canada, and which later would become vital to the expansion of our military strength. The seaway would provide an inland waterway relatively safe from enemy action. It would enable the two countries to move war materials at less cost in money and resources than by any other means. In addition, the seaway would permit greatly increased shipbuilding and ship repairs in the relatively well protected great lakes shipyards.

I am not making that statement.

Mr. Brooks: Would the minister explain why the United States turned it down after such a strong recommendation?

Mr. Chevrier: In a moment, I am going to deal with the very argument you brought up, but I should like to say now that these are not my words. These are the words of the Secretary of State of the United States, who also quotes the permanent joint board on defence. He continues with the statement of the permanent joint board on defence as follows:

The diminution of the iron ore supplies of the Mesabi range, coupled with the discovery and development of large new deposits of high grade ore in Labrador, constituted an added reason for immediate commencement of work on the project. Since Labrador iron ore could be transported most economically by ship to the large steel producing centres of the great lakes, the value of the Labrador mines, so necessary to defence industry, could be fully exploited only by building the seaway. In the board's opinion the addition which the project would make to our military potential would far outweigh the initial expenditure in manpower, money and critical materials. Much of these materials would be required in any event because if the combined project for navigation and power were not now proceeded with alternative sources of power would have to be provided. The board recognized the risk to the St. Lawrence seaway project from enemy attack. It was of the opinion, however, that this risk was no greater than the danger to many other existing installations of comparable importance. Since the area concerned was already one of high defence priority, the board believed that adequate protective measures would be possible on a reasonably economic basis. Having in mind these considerations and reaffirming its previous recommendation, the board recommended: "That the two governments take immediate action to implement the 1941 St. Lawrence agreement as a vital measure for their common defence."

I have cited that at some length for the simple reason that I felt the words I had uttered in my original statement did not suffice. Therefore I bring to my support not only the statement of Dean Acheson but also the statement of the permanent joint board on defence. Then I go on to the second argument raised by the hon. member for Cape Breton South. He said—and I presume I am not misquoting him when I say he referred to the supporting documents which he had from the united mine workers union—that if this project goes through they fear that the coal industry in the maritime provinces will be made to disappear. My answer to that is twofold. First I say that we have just concluded a debate on railway legislation. I say that we have also had the benefit of the report of the royal commission on transportation. I say that the maritime provinces were represented by very able counsel before that royal commission, who brought forward the point of view of the maritimes. What did they say to the royal commission? In effect they said: We live in a far-away part of the country in so far as the central markets are concerned. Therefore we have a long haul to get into those markets and very often we have an equally long haul to bring back our raw materials to the maritime provinces. We have not, like the central provinces, highway competition and the like. Our economy, they said, is one which should normally move from north to south but because of confederation it has been forced to move from east to west. I do not think anyone will challenge my statement, because I think those are the facts. The maritime provinces complained at that time, and with reason and justice, that that position created a disadvantage in so far as they were concerned.

Having said to the royal commission on transportation that that was the position in which they found themselves, namely that there was this long rail haul to the markets and the long haul back, surely when an open seaway is offered, when an alternative route is offered whereby they can move their products not only into the Montreal market but into the great Toronto market and the markets of the great lakes, to my way of thinking that has relieved the situation to some extent. Then I add that not only is the position relieved by the construction of the seaway; it is also relieved by the fact

that rates will be equalized in the rest of Canada. East-west rates will be reduced because of the subsidy of $7 million which will be paid and because of the one and one-third rule. The maritimes will also get the benefit of that. I submit, with deference, that is an answer to the point raised by my hon. friend when he says that their livelihood will be made to disappear on account of the construction of the seaway.

Mr. Gillis: The minister has just confirmed what I said.

Mr. Chevrier: The next argument I make has to do with the coal industry. What is the position of that industry? Without wanting to disagree with my hon. friend, or with the hon. member for Annapolis-Kings and the hon. member for Royal in their summation of the position in so far as the coal industry is concerned, I do not think they need be so apprehensive as they were in their speeches because I do not think the position they put on *Hansard* is an accurate one. I have before me statistics furnished by the bureau of statistics which indicate the distribution of Nova Scotia coal production. With the consent of the house I should like to place it on *Hansard*. It indicates that the total Nova Scotia production of coal in 1939 was 6,857,000 tons, and the total production of Nova Scotia coal in 1950 was 6,517,000 tons. The point I wish to make is that of the total of 6,857,000 tons in 1939, some 3,743,000 tons were used in the maritimes and 3,114,000 tons were shipped to central Canada, Quebec and Ontario, whereas in 1950 of the 6,517,000 tons of coal produced in Nova Scotia 4,717,000 were used for local consumption and only 1,800,000 were moved into Quebec and Ontario.

The point I am making is that the table indicates that the demand for coal within the maritime provinces has increased from 3,743,000 tons in 1939 to 4,717,000 tons in 1950. In other words, local demand consumed 55 per cent of the production in 1939 and 72 per cent in 1950. These are facts. At this rate the full production will be consumed in the maritimes in another ten or fifteen years. The simple fact, as I understand the problem, appears to be that Nova Scotia coal already is withdrawing from the central Canada markets. Before the war as much as 2,300,000 tons of maritime coal were shipped into Quebec in one year and as much as 1,300,000 tons into Ontario. The total shipment of Nova Scotia coal to central Canada in 1939 was 3,114,000 tons. The decline is not for want of transportation facilities or assistance, and certainly not for lack of demand; because if I correctly recall the statement made by the president of the Canadian National Railways in the committee on railways and shipping it was that the Canadian National Railways could have taken another 1,100,000 tons of Nova Scotia coal if it had been available. It was not available, and the railway had to obtain coal from the United States. I believe it can safely be said that at least another 2 million tons of coal would have been required in the central market. What is happening to Nova Scotia coal is simply this. Because of requirements for power production, coal for their own employees, for their own collieries, for bunkers, for railways in the maritimes, for their steel plants and for Newfoundland, the maritimes are gradually using up the full production of coal. If I have permission I should like to put this table on *Hansard*.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Chevrier: The table is as follows:

Distribution of Nova Scotia Coal Production

	1950 tons	1939 tons
Employees use	140,000	123,000
Colliery use	310,000	361,000
Bunkers	85,000	310,000
Railway, maritimes	1,190,000	841,000
Steel plants (coking coal)	1,100,000	767,000
Other maritime	1,588,000	1,195,000
Newfoundland	247,000	143,000
Export	57,000	3,000
Total maritime	4,717,000	3,743,000
Quebec and Ontario*	1,800,000	3,114,000
	6,517,000	6,857,000

* (Includes about 250,000 tons for railway use. Subvention paid on about 1,200,000 tons.)

The above table indicates that the demand for coal within the maritimes has increased from 3,743,000 tons in 1939 to 4,717,000 tons in 1950. In other words the local demand consumed 55 per cent of the production in 1939 and 72 per cent in 1950. At this rate the full production will be consumed in the maritimes in another 10 or 15 years.

As I see it, Mr. Chairman, this thing promises to continue. There is an increasing use of coal in the maritime provinces in producing electricity and for serving new industries. Consumption in blast furnaces and steel mills may increase. If these trends continue, as I said, by the time the seaway is opened there may be little or no surplus of Nova Scotia coal. If my hon. friends argument is sound in so far as the deepening of the channel to 27 feet is concerned, surely it was sound with reference to the 9-foot channel and with reference to the 14-foot channel. I do not think anyone in the house would attempt to argue that construction of

the 9-foot channel or the 14-foot channel has had any effect on the coal industry of the maritime provinces.

Mr. Black (Cumberland): Before the minister leaves this point, would he reassure the house with respect to the position of Nova Scotia coal? I point out that it has been recognized that Nova Scotia has to market a large tonnage of coal in central Canada where it meets the cheap water-borne coal imported into Canada, and which would come into Canada under the conditions which would exist if this canal were constructed.

Mr. Chevrier: I am not admitting that cheap water-borne United States coal is going to come down to Montreal, because United States coal has to travel all the way from the mines up to lake Erie, then be transferred to ships and moved down to Montreal. I am not admitting, therefore, the premise of my hon. friend's argument. The point I am trying to make—

Mr. Nowlan: The minister admits it is being transported on the lake now, does he not?

Mr. Chevrier: The point I am making now is that according to the table I have put on *Hansard* the maritime people are gradually consuming greater amounts of their own coal production. For the year 1950, according to the table, they consumed it to the extent of 72 per cent. This is an increase from 55 per cent in 1939. I should like to go on, Mr. Chairman—

Mr. Black (Cumberland): I should like to point out that Nova Scotia has an objective of 10 million tons per year; that has been the objective for a long time. This objective will never be reached under the proposal put forward by the minister. It would appear to me that he is satisfied with that condition. We must allow our production to diminish, and we are not to expect the expansion of that industry in order to market coal in central Canada.

Mr. Chevrier: Nothing that is going to be done under this resolution or either of the two bills following will affect the production of coal, as I see it.

If I may I should like to go on with the other point made by the hon. member for Cape Breton South (Mr. Gillis), and I believe supported by other hon. members, although my memory does not serve me sufficiently well to be able to quote them, and perhaps they may get up and say I am mistaken in the statement. In any event the point was made by the member for Cape Breton South: why export iron ore? I believe the words he used were these: To whom are we making the iron ore available? Why export iron ore? Well, Mr. Chairman, I do not think I need answer that argument, because the people of this country answered it many years ago. What happened to our gold and our silver in northern Ontario and northern Quebec? Did we not decide to export it? Were not whole groups of communities established in both provinces because of that development, and because of that policy to export those natural resources? What happened to the lake St. John district in the province of Quebec in which aluminum is being produced? A whole area that was undeveloped and uncolonized for many years was developed because the aluminum industry came there and exported the product to the United Kingdom, the United States and perhaps to other countries. A series of communities was built along that area.

Mr. Brooks: Do they export the raw ore or do they refine it?

Mr. Chevrier: Will my hon friend allow me to continue? My hon. friend made his speech. He is at liberty to make another speech if he wishes.

Mr. Brooks: I am sorry to interrupt the minister.

Mr. Chevrier: I should like to reply to the arguments that are being made, but if I am to be interrupted continually it is rather difficult to make an argument.

Mr. Black (Cumberland): I believe it is proper that we should deal with these points as we go along. I should like to ask the minister whether his argument applies to the great pulpwood industry. Is he opposed to having the pulpwood manufactured into its final form here, or should we go back 25 years or more and ship it in the rawest form possible to the United States.

Mr. Chevrier: If my hon. friend will only hold his peace I shall deal with pulpwood in a moment. At the moment I am dealing with this argument: why should we export iron ore? I ask your permission, Mr. Chairman, to be allowed to continue. If there are any questions I will do the best I can to answer them afterwards. When I am attempting to answer this argument I do not think it is fair that I should be subjected to continual interruptions from the other side. I said, why did we decide to export Steep Rock ore? Why was it that we decided to export copper and nickel from northern Manitoba? Why did this house at the last session vote substantial

sums of money to the Canadian National Railways to help develop the nickel and copper deposits at Lynn Lake by the building of a railway? What about oil in Alberta? Is it a crime to export aluminum from Kitimat? At the next session of parliament I hope to be in a position to introduce a bill which will, I trust, bring about the construction of a railway from Kitimat to join with the Prince Rupert-Prince George line. In this area there will be a tremendous aluminum development, and I am informed a white man has never put his foot on that spot. Why do we do that?

Mr. Ferguson: To keep on exporting the aluminum we have instead of manufacturing it; that is why we do it.

Mr. Chevrier: If the hon. member wants to follow his argument to its logical conclusion, why do we export wheat?

Mr. Ferguson: We do not export any more than the surplus we have. My argument is that we are not manufacturing enough in this country; we are exporting.

Mr. Chevrier: All right. That is exactly what we are going to do, as I see it. That is exactly what we are doing with aluminum. That is exactly what we are doing with all these natural resources.

Mr. Ferguson: This country exports—

The Deputy Chairman: Order.

Mr. Chevrier: We do not export any more than we have surplus to our own requirements; and if that is the case, I think that is a reply to the argument raised by my hon. friends. I could go on and say this. If our friends on the other side of the line were to adopt the same argument, where would we in central Canada get our coal? Where would we get our oil, our cotton, our steel, our rubber or our tin?

Mr. Ferguson: You can get anything you want.

Mr. Chevrier: Those are questions that I think are significant answers to those raised by the hon. member for Cape Breton South.

Another point that was made was this: Why not build up our mills in our own country? On that point, Mr. Chairman, I find myself in agreement with the hon. member for Cape Breton South, the hon. member for Annapolis-Kings and the leader of the opposition, who did not go nearly as far as did the hon. member for Annapolis-Kings or the hon. member for Cape Breton South.

Mr. Gillis: He did not understand as well.

Mr. Chevrier: He said: I have no objection to exporting ore provided we see to it that some assistance is given to our own mills. I hope it will be possible to do that, and that takes me to the point raised by the hon. member for Cumberland with respect to pulpwood and the paper industry. That was a point made by the leader of the opposition, namely that in the pulpwood industry and in the timber industry we were able to place certain conditions on the export of this pulpwood, when we stipulated that mills for the production and fabrication of paper would be established in our own country, as they have been.

But the position as to pulpwood compared with the position as to iron ore is as day is to night. In pulpwood and in timber we have a monopoly; but in iron ore we are not in that fortunate position. In iron ore we are in a competitive position. We have to compete with iron ore from Liberia, from Venezuela and from other countries. We therefore cannot stipulate. Then again, when I say "we cannot" I refer unquestionably to the provincial governments; and I say this without the slightest desire to be disparaging of them, because these are matters which concern provincial governments. The timber rights and the rights concerning iron ore in Ungava and Newfoundland are those arising out of provincial jurisdiction; and if anyone can tie down the owners, it is the provincial governments. But I am saying that the position, so far as a provincial government is concerned, with reference to iron ore is entirely different from that with reference to pulp and paper.

Then again it has been suggested that Canadians do not want to be merely hewers of wood and drawers of water. I agree with those sentiments. I wish to make it clear that I am not disparaging in any sense the hewers of wood and the drawers of water; but that is not the point. The point is that we want other Canadians to work on the wood and on the water too, in shaping them to their ultimate uses. In this case, that of iron ore, we want Canadians to have the opportunity of mining it and moving it to market. We hope also that other Canadians will have a large share—the larger the better—in the smelting of the iron, in producing the steel, yes and in fabricating the steel into finished products. The production of steel ingots and castings in Canada, for instance, has increased from a total of 1,551,000 net tons in 1939 to a total of 3,383,000 in 1950. I am not able to say what the production is in Nova Scotia, because this concerns one company alone and I am not at liberty to produce the figures I have; but I may say

that the Nova Scotia production was substantial and that province has shared tremendously in the expansion which I have just mentioned.

There is no evidence—certainly none on the record so far in this debate—that the completion of the seaway will put an end to the expansion of Nova Scotia's steel industry. As a matter of fact it appears that some reduction in the cost of production, possibly a substantial one, can be effected by mixing Labrador ore with Wabana ore in the blast furnaces. Iron and steel costs may be further reduced to the extent that the cost of coal is lowered by the mechanization now under way in the coal mines. All these forces will, I think, tend to strengthen the steel industry not only in other parts of Canada but in the maritime provinces as well. The day before yesterday I had the good fortune of discussing this very problem with one greatly concerned with the production of steel in the maritime province of Nova Scotia. He immediately said to me: The seaway will not in the slightest degree harm our steel industry in Nova Scotia.

I now go on to the point which was made concerning navigation being window dressing for power. It has been suggested that we are not serious about the navigation, that it is only a question of window dressing. The federal government is using its best efforts, in this resolution and in the bills which will follow, to assist Ontario in developing 1,100,000 horsepower in the international rapids section of the river where it is required by that province. Then, in case my hon. friend should think that the statement made by the Secretary of State for External Affairs sometime ago was indicative that there was a snag in Quebec, let me assure him that there is no snag in the province of Quebec; because there at Lachine it is hoped it will be possible to develop a joint power and navigation scheme as a result of which 1,200,000 horsepower of electrical energy will be produced. What prompts me to make the statement is that some two years ago I tabled in the House of Commons a joint report made by a board established by this government—the chairman was Mr. R. A. C. Henry, a prominent engineer of Montreal, a former deputy minister of the Department of Transport, a former chairman of the air transport board and a former officer of the Canadian National Railways—together with the Quebec hydro, in which several plans were submitted for the production of power and the development of navigation at Lachine. One of them particularly was recommended. It had to do with a joint power and navigation scheme at Lachine.

My hon. friend spoke disparagingly, I thought—I am sure he did not mean to do so but it looked to me as though he did—of the statement made in western Canada by my colleague the Minister of Trade and Commerce. He spoke disparagingly, I thought, of his statement which he quoted to this effect: The St. Lawrence seaway must be built. Without it the steel industry now on the great lakes would have to migrate to the Atlantic coast.

Mr. Gillis: That statement was made in the United States.

Mr. Chevrier: I am not denying that it was made there.

Mr. Gillis: You said the statement was made in the west.

Mr. Chevrier: I accept the correction. But the point I am making now is that surely that statement, taken out of its context, means an entirely different thing than if read with the context. What the Minister of Trade and Commerce was referring to unquestionably was the migration of steel industries to the Atlantic sea coast of the United States. And the argument he was probably making—I have not his text before me—was that it would be much better for us to take our iron ore in Labrador and Quebec and move it up to the great lakes, through the St. Lawrence seaway, and there sell it where there is a market, than leave it where it is doing nothing. That is the position I think he took.

Then he referred to shipbuilding in the great lakes, as I did, too. I think my friend the hon. member for Annapolis-Kings misunderstood or misinterpreted, not intentionally I am sure, the statement I had made. I had no intention of saying anything concerning the shipyards on the Atlantic coast. I was dealing with one thing only, and that was the great lakes-St. Lawrence seaway for defence purposes. I was trying to make the point that if we had the seaway we could build there, in an area which would be practically invulnerable to attack, destroyers, submarines, escort vessels, trawlers and the like, which could be taken down the deep waterway for defence purposes. That is the point I was trying to make, and I think it is exactly the point the permanent joint board on defence made. Certainly there could be no damage done to our maritime yards on the St. Lawrence river or on the Atlantic coast, because at the moment I think they have a considerable number of orders.

The hon. member for Annapolis-Kings discussed the question of finance. He will excuse me if I do not go into that now, because I do not think this is the stage to

do that. There are financial sections in the bill which we will come to at the appropriate time. But I think the main point he made, and which I have not referred to up to now, is the adverse effect that this will have on the railways. Well, I made what I thought was a fairly considerable explanation of the position of the railways. Apparently it did not satisfy my hon. friend, and I do not think it satisfied the hon. member for Royal. However, he is entitled to his opinion. Perhaps if he will not take my argument he will at least take the argument of the president of the Canadian National Railways when he spoke to the railways and shipping committee—

Mr. Nowlan: I would rather take the minister's.

Mr. Chevrier: —on March 25, 1949. Mr. Hazen asked this question:

> There is another matter you referred to in addition to truck and air competition: you referred to the deepening of the St. Lawrence waterways. Now, you must have made some study on that, I presume?
>
> Mr. Vaughan: Yes, sir.
>
> Mr. Hazen: What losses in revenue, or in railway business, do you anticipate if the St. Lawrence waterway is deepened?
>
> Mr. Vaughan: We had our research and development department, and bureau of economies make a thorough study of that situation, because we were very anxious to know what traffic we might lose if the canals were deepened. After giving the matter much study and making a thorough investigation their report is, as I recall it, that they do not expect the railway will suffer any substantial loss of business at all because they consider that there will be so many new industries built up along these new waterways that the business we would get from these new industries would more than make up for what we might lose in any other direction.
>
> Mr. Hazen: When was that report made?
>
> Mr. Vaughan: That report was made two or three years ago.
>
> Mr. Hazen: Was it in 1947, or 1948, or prior to that time?
>
> Mr. Mutch: In any event that was the conclusion.
>
> Mr. Vaughan: I remember distinctly that the conclusion reached in the report forecast no great loss of business. The report was made about two years ago but I cannot give you the exact date.

The successor to Mr. Vaughan, Mr. Donald Gordon, is of the same view and has so declared on more than one occasion in public statements. I think I am not taking too much upon myself when I say it is our view that the Canadian Pacific Railway are of the same opinion.

I have spoken altogether too long, Mr. Chairman. I had no intention of being so lengthy, but I did want to assure the committee and the hon. member for Cape Breton South that, like himself, I too am a Canadian and I believe in the development of our Canadian resources. If I did not I probably would not be in the house at all, because those who sent me here felt that was one of the first duties that I owed to them and to this parliament. That, too, is the duty of the government. It feels that the resources of the country should be developed. Unquestionably, both from the point of view of power and the point of view of navigation, as well as from the point of view of iron ore and all the allied industries that will come out of it, those resources will mean a great deal to the economy of Canada. And to those who say that the taxpayers cannot foot the bill I say: wait a little while and see what the bill contains. I think it will be established, I hope beyond doubt, that it will be possible, as I stated in my initial speech, to self-liquidate the whole navigation part of this scheme by means of the imposition of tolls. With that, Mr. Chairman, I hope it will be possible to get on with the resolution.

Mr. Gillis: I have no intention of arguing the details of his last statement with the minister, but I do know that he put figures on the record, accepted by him in good faith, that are completely erroneous to anyone knowing the marketing and mining situation in Nova Scotia. I want to straighten him out for his benefit, as well as for the benefit of the members of the committee, on the point the minister made in regard to research and in comparing the research of the Canadian government with the research of the mine workers union. I am not going to criticize the research the Canadian government has done on this project, because I have read several reports concerning research into the engineering possibilities, the financial aspects of the properties that would be destroyed in the process and the benefits that might accrue to one or two particular parts of the country.

The research that I mentioned the mine-workers have done was in regard to the threat this might be to their means of livelihood, which is a completely different type of research and a type that was not done by the commission the minister mentioned. Their research was done from the point of view of how it was going to affect their particular industry which meant the means of livelihood for the miners. On that specific point they were convinced that there was a threat to their means of livelihood. I did not see anything in any of the reports—and I read a lot of them—the government made in regard to that particular point. I want to leave that with the minister for his information. The minister made an analysis of coal production in Nova Scotia and the marketing of that coal in the central market of Ontario and Quebec. The minister picked a bad period to get his figures when he took the years 1939 and 1950. All he did when he put those figures on record was to confirm in my own mind what I had suspected, and the evidence he had given does not serve in any way to

bolster his case. He gives a production figure in 1939 of 6,857,000 tons. But the thing the minister probably does not remember, or was not told by those who gave him the figures, was that in 1939 the industry was in a depression, and was working perhaps on an average of two days a week. So that production figure of 6,857,000 tons was on the basis of a very short work week. Then for 1950 he gave the figure of 6,517,000 tons, or about 300,000 tons less in 1950 than in 1939. The 1950 figure was based upon a five-day work week, or just a little more than twice the time worked in 1939. This shows the continuous shrinking of the industry.

I have made the accusation many times that the policy of the Nova Scotia coal industry was not to expand. Their policy has been one of shrinking the industry to care for maritime needs. That is very obvious from the figures the minister put on record. He has pointed out that in Ontario we had a coal market in 1939. That is right. The government was subsidizing the coal market in Ontario to the extent of a million and a half tons, a market that is not now supplied by that industry at all. And the reason it is not supplied is in line with the shrinking of the industry to take care of maritime needs only. Dosco has become a coal importer from the United States. They are importing and selling coal to customers in Ontario who at one time used a million and a half tons of Nova Scotia coal, and at the same time the industry has been shrinking?

Mr. Blackmore: Why is that?

Mr. Gillis: They can make more money, and it is cheaper to import the coal and get the drawback from the government. That point the minister brought out in his figures. We are not putting any coal at all into Ontario at this time. Another thing of which I would remind the minister in connection with the production figures he gave us is that at least three large coal-producing collieries, namely collieries Nos. 2 and 11, and the Allen shaft, have closed, but which were operating on that short-week basis. One of them employed 1,500 men, but they have closed down since.

So the production figures do not help the minister's case at all. They merely prove what I have been saying over the years, that so far as that industry is concerned there is no national vision. It is a matter of shrinking the industry to cater to the market handiest to them, while they import coal from the United States and fill the market for which they themselves should be reaching.

Mr. Blackmore: I should like to make one comment. The hon. member is making a most admirable case. Everyone is rejoicing because of the work he is doing; a man who comes from the mines, and who can express himself so admirably here in the House of Commons. I compliment him in the highest measure. I should like to ask him one or two questions so that he may enlighten us with his answers. Can he give us any connection between this shrinkage and any economic factor the impact of which is likely to be intensified by the construction of the St. Lawrence seaway?

Mr. Brooks: That is a poser.

Mr. Gillis: No, that is not a poser. There is no particular economic factor in Nova Scotia that would work to the detriment of that industry, due to the building of the St. Lawrence seaway. But there is one point, and I was just about to discuss it. The minister made the statement again that the opening of the seaway would increase the opportunity of putting Nova Scotia coal on the Ontario market, and that it would not affect the future of that industry at all. He pointed out the argument related to subsidies, subventions and the like, as applied to long hauls. Let me point out to him that we already have our water route. We can ship from Louisburg and Sydney—more particularly from Louisburg, which is open all winter—by way of the St. Lawrence during the months it is open. Indeed that method of shipment could be used nearly all winter, if necessary, although the insurance is lifted at the end of eight months.

I am pointing out that we already have that water route for the shipment of Canadian coal. The only reason we are able to stay in the Montreal market is that it is the only market that is economical so far as Nova Scotia coal is concerned. We stay in that market because the Americans cannot get in there by a water route. Even now the coal marketed in Quebec is subsidized by the federal government to enable it to get in there on a competitive basis with United States coal, even with the handicap of the rail haul. Therefore, instead of doing what the minister suggests it will do, namely expand the market for us, it will open up a water route and cheapen transportation for United States coal. This will back the Nova Scotia product out of the Montreal market.

I am not blaming the government for the policy of shrinking the industry, and for the fact that the Dominion Steel and Coal Company has gone into the importing

business. That is entirely a matter of the policy of the company, and it is one I have kicked around for a long time.

Mr. Blackmore: May I interrupt again by asking another question? I am looking for a solution, of course. If the dominion government were to agree to a subsidy on Nova Scotia coal, to offset the advantage given to the United States, would that not obviate the difficulty mentioned by the hon. member?

Mr. Gillis: No; I think it is false economy to spend $400 million to build a seaway which will give the Americans the advantage in that market, and then ask the taxpayers of Canada to subsidize the movement of one of our own resources into a market they have already paid to get. There is a limit to the extent to which we can keep going down into the pockets of the taxpayers.

Let me point out to the minister that his arguments with respect to the coal situation are not valid. I am not criticizing him. I would not argue *stare decisis* with him; that is his field. But in this particular field let me tell him that I have a lot of kinks in my spine from shovelling coal, which was my business for years. I am not biased; I like to be fair; but when a company follows a faulty policy in developing an industry, and follows the line of least resistance by shrinking the industry, and leans on the arm of the government wherever it can, as well as going into the importing business because it is cheaper and perhaps more lucrative, I believe I am called upon to say something. It is not building a Canadian industry.

One other point I would like to make, in respect of what the minister had to say. On the point as to why we should export our iron ore, my answer is that we should export our surplus. I have no objection to that. But we should not be in the position of simply developing and opening up our raw materials in order to make them available to the United States. As far as steel is concerned, we are completely dependent today upon the United States. The scream all the time is that we cannot get steel for automobiles and for our defence requirements. I know of one city that wants to get a 200,000 gallon boiler for the water supply in one important section and they cannot get it because there is no steel. If we are not able to supply our own requirements in steel the logical thing for us to do is to export our surplus ore. That is what we are doing with wheat. I think it is wrong to think just in terms of opening up our raw materials and making them available to the United States.

I say to the minister that this business of depending on the United States is going to catch up with us some day unless we are going to sit by and be absorbed by them. We must make up our minds one way or another. The minister said that we are dependent upon the United States for coal. That is quite true, but we should not be. The minister asks where we would get coal. We can get it in New Brunswick, in Nova Scotia, in Saskatchewan, in Alberta in unlimited supply and in British Columbia. It is merely a matter of developing our own resources and freeing ourselves from the economic dictatorship which the United States can wield if they so desire. The same thing is true of steel. This country should not be in the position of having to import steel to meet our ordinary requirements. As I suggested when I spoke before, I am prepared to support this project as one part of a large public investment program by the federal government. This authority to be set up should have the right to develop any potential power or other resource within a reasonable distance of that area.

I should like to point out to the minister that steel production in this country is not as great as it should be. It is no good going back to 1939 because we were in a pretty bad way from the production standpoint in that year. When you start with 1948 you really get at the place where we began to slip with a lot of things. I put the figures on record a couple of days ago when the Minister of Trade and Commerce was present. In the last fifteen months the production of basic steel in this country has been stationary while production in the United States has gone up from 35 to 40 per cent. They are really going ahead down there.

I think the government would be well advised to have another basic steel plant. This would not be asking very much. We would still be exporting our raw materials to the large centres for fabrication. The steel plant at Sydney employs about 4,500 men in the manufacture of basic steel. I do not care where you pick a site, in Pictou county or in Prince Edward Island or in Newfoundland; you would still be close to the raw materials. A new plant could be set up or the Sydney plant could be expanded, possibly by the use of public funds. That would cure a lot of problems. A market would be provided for what Prince Edward Island is producing. I should like to see enough industry down in that part of the country to absorb all the production of the maritimes. It is not asking very much to say that we should try to stand on our own feet in this matter of using raw materials. Another instance is the aluminum industry.

There is no excuse for allowing United States capital to come in here and develop the great aluminum industry practically at the expense of the taxpayers of Canada. The headquarters of that industry is in the United States, and the control lies in that country. The same thing is true in connection with pulpwood. Go down along the New Brunswick border and take a look at what is happening. People from the United States have been coming there to lease our timber lands and cut our pulpwood. They have a belt line running across the border to take the raw materials over there to be processed into paper which we buy back at $90 per ton.

An hon. Member: More than that.

Mr. Gillis: It was $90 the last time I heard about it, and that is bad enough. I am quite sticky on this business of looking after ourselves first. If we have any surplus we can export it as we do with wheat. I am not going to argue any longer. I have stated my case, and I simply wanted to straighten out the minister on these production figures. Instead of hurting my case all he has done is confirm what I suspected right along, that there is no intention to look after maritime needs. I suggest to the minister that it is nearly time that we developed our own resources, such as coal, for ourselves. With the potential supplies of coal we have we should not have to depend upon the United States to the extent we do at the present time. We should not have to face a recurrence of the fuel crisis on the Canadian National which we had a couple of years ago.

Mr. Black (Cumberland): Mr. Chairman, the minister seems to want to rush through this important legislation about which a great many people in my part of the country have considerable doubt. Some of the members from down there have expressed trepidation as to what the results will be. I think we should have all these matters cleared up. I am not going to delay the committee but I just want to express my views. I have expressed them before and they are on record.

I am not opposed, as one good Canadian in a family which has done a lot over the years in making Canada possible, to the development of this country or to the development of the power resources in central Canada, but I want to know what there is for Nova Scotia and the maritime provinces to compensate for the contribution they have made to Canada and to give them the place they should have in confederation. We should have a more definite statement from the minister and the government at this time than the minister gave today or a few days ago. I am not opposed to what is being done in central Canada, but I am not satisfied with what is being done to develop our resources in Nova Scotia. I am opposed to having this go through until there is further discussion.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will continue the debate on these two resolutions. The debate to date has covered both resolutions because nearly every speaker has referred to power. I thought it was understood that both resolutions would be discussed on the motion and in committee. I think that was agreed to by the leaders of all parties. I would suggest that tomorrow after we complete the resolution the house agree to undertake a study of the bills. We would propose starting with the large one concerning the seaway.

Mr. Green: We will not even have seen the bills.

Mr. Fournier (Hull): I will give the hon. member my copy. We could proceed with the power bill. The agreement has been on the table since Monday, and if you would prefer we could proceed with the bill to ratify the agreement with the province of Ontario. If we do not come to any agreement, we will take up the resolution concerning the Dominion Elections Act; the bill to provide for the establishment of an agricultural products board; Bill No. 8, to amend the North Fraser Harbour Commissioners Act, and then the resolution of the Secretary of State to amend the Civil Service Act.

Mr. Browne (St. John's West): On a point of order, Mr. Speaker, I asked you when we were in committee if we were discussing both resolutions or just one, and I think you replied we were discussing the waterway. I did understand that we were on both resolutions at that time.

The Acting Speaker (Mr. Beaudoin): Any reply that I might make should have been made when we were in committee, but if the house will permit me, may I say that I think I was right. The only resolution I had before me was the one concerning the waterway.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Friday, December 7, 1951

Tho house met at two o'clock.

ARMED FORCES

DUTY-FREE ADMISSION TO CANADA OF GIFTS FROM FORCES SERVING ABROAD

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to lay on the table two copies in English and French of order in council P.C. 6598 of December 6, 1951, passed under the provisions of the Emergency Powers Act, authorizing the admission to Canada, free of customs duty and excise taxes, of personal gifts, not exceeding $25 in value, and not including cigarettes, tobacco and alcoholic beverages, from members of the Canadian forces serving abroad. This provision is similar to that which was made during the last war, and it is intended to allow these brave young men serving abroad to feel that they are in closer contact with their families at home.

PRIVATE BILLS

REFERENCE OF CERTAIN PETITIONS TO COMMITTEE ON STANDING ORDERS

Right Hon. L. S. St. Laurent (Prime Minister): I understand that the clerk of petitions has laid on the table four petitions from religious bodies for private bills. It had not been intended, as hon. members know, to have any private bills dealt with at this session; but it has been represented to us, and to the leaders of the other groups of the house, that with respect to these four bills they were intended to relieve their anxieties about some possible illegality in the investment of trust funds of these religious bodies; and after discussing the matter with the leaders of other groups I felt we might ask for unanimous consent to make an exception for these religious bodies, it being still understood this will be the only exception, and that none will be made for any private interests.

The petitions are from the general synod of the Church of England in Canada and the missionary society of the Church of England in Canada, for an act authorizing them to consolidate, manage and invest the trust funds under their control as one fund to be known as the Church of England consolidated trust fund, and for other incidental purposes. I understand that these trust funds are now in a provincially incorporated trust company, and that as the investments are made in more than one province in Canada the synod of the Anglican church has been advised that there may be some illegality in their proceedings, and they are quite anxious to have that removed at the earliest possible opportunity.

The other is from the Sisters of Charity of the House of Providence of Kingston, Ontario, for an act to incorporate the Sisters of Providence. They have provincial charters in several of the provinces, but they also have the same body of assets distributed throughout several provinces, and they have been advised that their position in that regard is not strictly in conformity with our general laws.

The next one is from Edward G. Wheeler and others, of Langham, Saskatchewan, representing Canadians of the Mennonite brotherhood. They are applying for the usual incorporation as a recognized church society. It was felt that if any exception were made for any one of these groups the exception would have to extend to the other two, because it would be felt, I was sure, by all members of the house, that there should be no discrimination between them on religious grounds. But again I wish to assure the house that it is not intended to make any exception for any private interests. It is only because these are semi-public bodies that it was felt the house might be prepared to allow a special exception in their regard. I move, therefore:

That the following petitions for private bills presented on December 6, 1951, together with the report made thereon by the clerk of petitions on December 7, 1951, be referred to the standing committee on standing orders for such recommendations as may be deemed advisable in relation to standing orders 92 and 93(3)(a) and (b), namely:

Of the general synod of the Church of England in Canada, and the missionaary society of the Church of England in Canada, for an act authorizing them to consolidate, manage and invest the trust funds under their control as one fund to be known as the Church of England consolidated trust fund, and for other purposes.

Of the general synod of the Church of England in Canada, for an act amending its act of incorporation with respect to investment of its funds, and for other purposes.

Of the Sisters of Charity of the House of Providence at Kingston, Ontario, for an act to incorporate the Sisters of Providence.

Of Edward G. Wheeler and others, of Langham, Saskatchewan, for an act to incorporate Evangelical Mennonite Brethren of Canada.

Motion agreed to.

Inquiries of the Ministry

AIR TRANSPORT

REGULATIONS REGARDING PASSENGERS IN OPERATIONS COMPARTMENT, ETC.

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce or his parliamentary assistant, to whom I have given notice of the question. How many Trans-Canada Air Lines pilots have been suspended from the service because they have refused to allow extra passengers or transportation officials on the flight deck of T.C.A. planes?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, this question refers to a matter of internal management of Trans-Canada Air Lines. No one outside the personnel of Trans-Canada Air Lines is involved. It has never been the practice to answer questions in the house about the internal management of either the Canadian National Railways or Trans-Canada Air Lines. Therefore I must decline to answer the question.

[*Later:*]

Mr. Fraser: I would like to ask the Minister of Trade and Commerce if it is not the custom for the house to have information when a strike is pending on the C.N.R., or any organization that is publicly owned.

Mr. Howe: I know of no strike pending anywhere. If my hon. friend does,—

Mr. Fraser: Impending, I should say.

Mr. Howe: —then, a question in the house would be a very good way of fomenting such a strike.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the last statement made is one that is not in keeping with a response to a member who asks for information on the orders of the day. I say the last answer given is not one that is in keeping with the minister's responsibility to the house, if it is directed to the government which operates the business in question. There is no reason why an answer could not be given in regard to any detail of the operations of Trans-Canada Air Lines or the Canadian National Railways in connection with a matter which is not the subject of strict secrecy. It is a question to which every member of the house and the people of Canada should receive an answer.

[Mr. St. Laurent.]

GRAIN

REFERENCE TO REPORTED REMARKS OF MINISTER OF TRADE AND COMMERCE IN WINNIPEG "FREE PRESS"

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, may I ask a question of the Minister of Trade and Commerce. I wonder if the minister would care to comment on press statements to the effect that legislation would be introduced at the present session to provide credit to farmers for unthreshed or unsold grain.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, my hon. friend has somewhat distorted the statement in the paper. The statement in the paper was correct. It said I was prepared to recommend to my colleagues that legislation be introduced—and if my hon. friend would just be a little patient, perhaps he will see the outcome of my recommendation.

LABOUR CONDITIONS

NATIONAL EMPLOYMENT SERVICE—RECOGNITION OF PROVINCIAL LABOUR LAWS

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, I should like to ask a question of the Minister of Labour. To what extent do the offices of the national employment service recognize the labour laws of the various provinces in which national employment service offices are located, when making referrals? If there are any exceptions, will the minister give an explanation?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, the hon. member for York South warned me that he was going to ask this question. In reply I think I could not do better than quote the pertinent instructions issued to officers of the national employment service of the unemployment insurance commission. Those instructions are:

When orders are listed with any local office by an employer, and when such orders do not offer the minimum wages or working conditions specifically required by dominion statute or regulation, or by provincial statute or regulation, any variation from prescribed conditions will be brought to the attention of the employer in order that he may have opportunity to make correction. Only if the employer fails to make such correction, should the office refuse to undertake to fill the vacancies listed. The fact that an applicant may be willing to accept employment at a standard lower than that prescribed by governmental regulations furnishes no warrant whatever for the office to make a placement at less than the standard.

It is the responsibility of each local office to keep itself informed of all statutes or regulations fixing wages and working conditions in its district. These may include the fair wage schedules set by the Department of Labour regulating rates of pay on

dominion government contracts; minimum rates of pay for workers fixed by the minimum wage board of the province; wage rates called for in legalized wage agreements between groups of employers and employees; and any other comparable legislation or regulations which may be issued from time to time.

As to the last part of the question, in which the hon. member asked me to give an explanation, if there are any exceptions, I would say that, in reality, there are no exceptions. But if an employer quotes in his order to the national employment service less than the provincial minimum rate of wages, the matter is drawn to his attention and, if he corrects it, nothing further is done.

MING SUNG INDUSTRIAL COMPANY

USE OF CANADIAN FLAG

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to ask a question regarding a subject which has been before the house for some time. Can the Prime Minister inform the house whether the government has yet passed an order in council revoking the right of the Ming Sung Company to fly the Canadian flag?

Right Hon. L. S. St. Laurent (Prime Minister): No; the government has not yet passed an order in council revoking the right of the Ming Sung Company, on the ships registered in Canada, to fly the Canadian flag. As a matter of fact that is incidental to the registry. What would have to be done would be to remove the ships from Canadian registry, and that is a matter which is still under consideration.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

The house resumed, from Thursday, December 6, consideration in committee of the following resolution—Mr. Chevrier—Mr. Dion in the chair:

That it is expedient, for the purpose of providing a deep waterway between Montreal and lake Erie, to create a corporation to be called "the St. Lawrence Seaway Authority" with power, *inter alia*, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the authority.

Mr. Black (Cumberland): Mr. Chairman, in previous sessions, and again yesterday, I have stated that I am not opposed to a deep waterway serving central Canada and for the development of power resources, but I am interested in any menace there may be to the interests of the maritime provinces. I am interested in what compensating expenditures are proposed to benefit my part of the country.

I am very much disappointed in the statement of the minister, in that there appears to be no compensating expenditure proposed which would be of direct benefit to the maritime provinces. Instead, to some extent our interests are menaced. In addition we have to make a very definite contribution to the provision of $300 million, and probably double that amount, for the development of the St. Lawrence waterway. From every standpoint I say there should be a statement from the minister as to what is proposed by way of direct assistance to us in Nova Scotia, and the other maritime provinces. There is the question of the Chignecto canal. The minister made a personal investigation of the St. Lawrence seaway and brought in direct recommendations involving large expenditures, but even though it comes under his department he has not made a similar investigation of the proposal to build the Chignecto canal which has been before Canada ever since confederation and even before that time. A large delegation made representations on behalf of New Brunswick, Nova Scotia, Prince Edward Island and I believe Newfoundland, for the building of the Chignecto canal, but they were brushed aside. Nothing is being done. This is an opportune time for the minister to state what is proposed with respect to the Chignecto canal and what compensating expenditures will be made to us for the development of the St. Lawrence seaway and power projects.

I made a statement on June 7, 1951, and at that time I asked the Minister of Resources and Development (Mr. Winters) whether he had made an inspection of the Chignecto canal. At that time I said, and I quote from page 3840 of *Hansard*:

I doubt whether the minister has made an inspection of the Chignecto canal and whether he gave support to its construction when a very large delegation came here. It was rather enlightening to see the interest which the Minister of Transport took in the proposed St. Lawrence seaway. He accompanied a large delegation over the St. Lawrence river inspecting that part of the river in which the seaway is proposed to be built at a cost of hundreds of millions of dollars, and perhaps a billion dollars, which would give cheap power to central Canada when constructed. I do not say that I am opposed to that expenditure, but I would expect some compensating expenditures in my part of the country.

I again put that question to the minister and to the government. I repeat that this is an opportune time to have a statement. We are a part of Canada and we have rights in Canada. We have the right to expect the

adoption of policies that will be of direct benefit to us. Originally we had vested rights in the hinterland of Quebec and the great iron ore deposits in Quebec belonged to Nova Scotia as one of the original provinces. We are receiving no benefit from the development of that great resource. The same applies to the great nickel industry in central Canada; no direct benefit accrues to us in that connection. I think we have certain rights in the power development on the St. Lawrence. We were interested in the seaway at the time of confederation and I think we have some rights there. The same would apply to the great oil deposits in Alberta and western Canada. We are not receiving any benefit in that connection and in many others that I could cite.

In 1947 I quoted figures to show that up to that time there had been expended in Canada for canals a total of $243,352,399.78; practically all in central Canada, and hardly a dollar in our part of the country. There had been paid out for deficits and maintenance on the canals a total of $114,130,209.81 up to that time, with hardly a dollar of that being expended in the maritime provinces.

Then there is the question of shipbuilding. Shipbuilding is the birthright of the maritime provinces. At the time of confederation we had scores of shipyards and I contend that that industry should be developed and not be permitted to follow the lead given by the Minister of Transport when he proposed, I suppose in encouragement of central Canada, that there should be a further development of shipyards in central Canada but nothing for us in the east. That was confirmed by the Minister of Trade and Commerce (Mr. Howe) who stated a short time ago that shipyards are to be developed in central Canada. No hope is held out by the minister or the government of a development in our part of Canada.

I say that we are entitled to that. That is our birthright as Nova Scotians who came into confederation eighty odd years ago. There is nothing in this proposal now before us which holds out any hope of any development in our part of the country. Most shipyards are developed by direct appropriations by the government for naval or transport purposes. The government not only has the power, it has the duty to allocate expenditures to our part of Canada, especially as we have not fared as we should have fared under confederation. We have always been prepared to make our contribution, but there is never any development for us. The government is spending $300 to $600 million here and more than that for power development, but there is nothing whatever for our part of Canada.

In the statement he made the minister said that 75 to 80 per cent of the steel mills in the United States would be tributary to this development of iron ore in Quebec and to our seaway. An effort is being made to divert these great iron ore deposits largely for the benefit of the United States. Nothing is being done to build up a steel industry in Nova Scotia. I think it is the duty of the minister and the government, at a time when steel is so greatly needed, to enlarge the present steel plant there or build supplementary industries. That must be done if we are to take our proper place in the development of Canada. At page 1576 of *Hansard* for December 4 the minister said in reference to this iron ore:

> The problem thus is one of a growing gap between supplies and requirements. This gap can be filled partly with imported ore from Quebec-Labrador . . .

Further on he had this to say:

> The new ore traffic. Completion of the seaway would change this picture completely. Quebec-Labrador ores, after paying any likely toll, would be enabled to compete in most of the lake districts at current prices for ore.

It is all for the development of that part of Canada and the United States, and there is nothing whatever for the people of Nova Scotia or other parts of eastern Canada. Further on he had this to say:

> These facilities make available a plentiful supply of iron ore at a low cost, on which were based the great steel centres of today. Now that production of those ores has reached its limit and costs threaten to increase sharply, the new facilities will make available new and expansible supplies at comparatively low cost.

I could quote more of what the minister said, but what I want to point out is that his whole interest is in providing for development in central Canada and the United States. He does not utter a word to give any indication of assistance to Nova Scotia or eastern Canada generally. In putting forward these observations, I want to repeat that I am not opposed to the development of the St. Lawrence waterway and power project, but I want some statement from the minister and the government on what is proposed for the building up of Nova Scotia and eastern Canada. Some encouragement was in the statement of the leader of the opposition which was quoted the other day by my deskmate, the hon. member for Royal. I should like to quote it again. It is to be found at page 1465 of *Hansard* for December 6, and reads as follows:

> We have mills on the Atlantic seaboard today. As we plan for the use of iron ore, let us make sure that those mills now existing in eastern Canada are supplied with iron ore on a scale which will require much greater milling capacity than they have today. And let us recognize that while there are immense advantages in carrying iron ore to the established mills in the central part of Canada, there are equally great advantages in assuring steel

supplies at seaports both on the Atlantic and the Pacific, so that we may be shipping steel in the form of steel to our friends and allies in other parts of the world.

That is part of the quotation from the remarks of the leader of the opposition. There is also the question of the development of power. I pointed out a while ago that I think we have a vested interest in power development in central Canada. It constituted a part of the assets when we entered confederation. The minister pointed out that there was a potential of 9 million horsepower involved in the St. Lawrence waterway project. The United States has only 2,900,000 horsepower out of the total of 9 million: 1,800,000 at Niagara and 1,100,000 at the international portion of the St. Lawrence. The total amount developed at the present time is 3 million horsepower in Canada and the United States, leaving a balance of 6 million to be developed.

That means the continued concentration of industry in central Canada, and little is being done to encourage industry in eastern Canada today or in the future. I think the maritime provinces should also be provided with cheap power in order that we may develop our resources and industry. It has been pointed out in the house at different times that we have great power resources in the maritime provinces. About two years ago the possibilities of the St. Mary's—bay of Fundy tidal development were placed before the house, and a reply was made by the Minister of Transport (Mr. Chevrier). He said he would look into the matter, but that is all I have ever heard of it. He was going to look into it. Two million horsepower are available there. If it were in central Canada it would not only be looked after but the minister would be going up and down the St. Lawrence river to see where it was, whether it could be developed and what could be done for central Canada. He never comes to Nova Scotia to find out. Neither does the Minister of Resources and Development (Mr. Winters) come down there to look at the power possibilities.

Mr. Chevrier: I am sure my hon. friend would not want to make a misstatement. I have been to Nova Scotia many times. I have been to Halifax, Saint John, Charlottetown and several other places. I try to make an annual trip to the maritime provinces but unfortunately it has not been possible for me to do that in the last two years.

Mr. Black (Cumberland): I am not saying the minister has not gone to Nova Scotia and the maritimes; it would be a strange thing if he had not. But I say he has never made a personal inspection of the Chignecto canal project. He has never made a personal inspection of the St. Mary's—bay of Fundy power project where it is said that 2 million horsepower can be generated on an economic basis. I doubt whether he has ever visited the Passamaquoddy region where it is possible to develop a million or two million horsepower. He is not interested in these things because they are in the maritime provinces.

Mr. Chevrier: I am not going to let my hon. friend make the statement that I am not interested in these projects. That is an unfair statement for him to make. I am sure he does not want to imply that I am not interested in projects in the maritimes, because that is not so. I am stating now that I am.

Mr. Black (Cumberland): I am glad the minister is interested. He has made that statement, but I am merely saying that I doubt whether he has ever visited the Chignecto project. I doubt whether he has ever visited the Quoddy project. The cape Split—Minas basin project was referred to yesterday by the hon. member for Annapolis-Kings (Mr. Nowlan). We have been told for years and years that millions of horsepower are available there if they can be harnessed, but I do not think any interest has been shown in the harnessing of that power at cape Split. The same applies to Petitcodiac. There are sources of power in that part of the country, and we require cheap power in the maritime provinces. The development of the St. Lawrence project would not be undertaken at this time unless $600 million of Canadian money was being made available for the building of the seaway, thus making possible as a secondary undertaking, almost a primary undertaking, the construction of this power development in central Canada.

We also have great power resources that could be made available as the result of the use of coal. Important developments in power from coal are taking place in Nova Scotia at the present time. Electric power can be generated by this means comparatively cheaply. In my own county of Cumberland the Canada Electric Company, a private enterprise, is developing considerable power but it is not in great quantity, and it is not as cheap as it should be. The cost is not comparable with the cost in central Canada. I think that industry should be subsidized in its use of second grade coal. Some assistance should be given by the federal government to aid in securing the low price coal that is available in the seams in my county in order that industry may be developed and in order that steel smelters may be started in the Chignecto canal region.

The same applies to Pictou county. It has large deposits of low quality coal that might

be used for the development of great power undertakings. The same thing applies to Cape Breton. In the coal areas there are enormous deposits of splint, I think they call it, or low grade coal which can be used and which is being used at the present time. This low grade coal can be used for the generation of cheap power. We want some encouragement from the minister and from the government to the end that if this development takes place, the funds will be made available in eastern Canada so that we can supply the electric smelters and other big enterprises in Nova Scotia with cheap power, and that the amount will be comparable with that which is being made available for these enormous expenditures in central Canada at this time. So far there is nothing for us. There are great possibilities in Nova Scotia in the way of waterpower projects and the development of coal-electric power.

It is my opinion that, if the minister had the real interests of Nova Scotia at heart, in view of the hundreds of millions of tons of iron ore to be developed in the Quebec and Labrador deposits, the government's policy would be to see that 2 million to 5 million tons of it is refined in the smelters in eastern Canada, by coal or electricity. But no such undertaking has been given to us under this legislation. A menace appears to be facing our present established industries there, as set out by the hon. member for Cape Breton South, the hon. member for Annapolis-Kings and my seatmate, the hon. member for Royal. Great misgivings are felt as to the effect of this development in eastern Canada. But no assurance is given that we will in any way have any development in order to assist us, no matter how old, how definite and how important have been our associations with the establishment and development of Canada. I do not believe that it would be out of place for the government to make available $200 million and more in order that there might be a development of power, the refinement of iron ore, the building up of basic industries and the establishment of refining industries in eastern Canada, to the end that we might share in the development of Canada, as is our right. That is something that is owed to us by the rest of Canada.

As I said earlier in my remarks, members of the house with whom I have talked and others wherever I go in Ontario, in Quebec and in the west tell me that we in eastern Canada have not fared as we should have, and particularly so in Nova Scotia, in view of the contribution we have made. Here is an occasion on which expenditures running into hundreds of millions of dollars are being made to construct a seaway which it is claimed will develop that part of Canada, build up shipbuilding and so on, and make a great seaway free from the menace of submarines. That could be done in Chignecto; there would be no menace from submarines there. If the Chignecto canal were built, the naval and commercial shipping could go through it and avoid going along the exposed Atlantic coast. But it never occurs to the minister that he is going to construct the Chignecto canal in order that there may be protection for our shipping and our naval interests at Chignecto.

I do not know that there is much more that I need to say, although there is a great deal that can be said. The minister talked about the expenditure for the seaway. I think that we, as responsible members of parliament, should analyse these figures. The amount of $300 million is mentioned. It is the impression of a great many people—and I am not able to judge as to the amount—that this expenditure will be at least double that sum. Since the house met last night I have taken occasion to look into what has been the experience with regard to the Panama canal.

A review of the last report of the governor of the Panama canal shows that appropriations for canal construction up to July 1, 1921, amounted to $386,910,301, less capital stock of Panama railroad, $7 million, making a net amount of $379,910,301; plus annual payments to the republic of Panama, 1913 to 1920, of $2 million; additional construction funds appropriated July 1, 1921, to July 1, 1950, amounted to another $223,223,859, making a total appropriation for the canal of $605,134,160.

Then this report sets out these figures, Mr. Chairman, with respect to the compounding of annual interest, something which is not placed before hon. members by the minister. Further, interest on construction funds compounded annually from 1904 to 1920 totals $128,991,063, making a total capital investment of $734,125,223. A review of the operating statement of the canal for the fiscal year 1950 shows that tolls charged to shipping using the canal, including miscellaneous receipts, amounted to $24,810,323. The net appropriation for expenses amounted to $22,557,703—and we have no estimate from the minister as to what the expenses are going to be in the operating of this canal—resulting in a net revenue in 1950 of only $2,252,620. As I said, the capital expenditure for the Panama canal was $734,125,223. The total revenue for the fiscal year 1949—that is the year previous to the one I quoted—was only $534,374. The minister told the house that the St. Lawrence project is going to be

a self-liquidating one. That may be so and I hope it is; but I have my doubts, and we in Nova Scotia will help pay for it. That is the record of the Panama canal that connects world trade in two oceans. We cannot expect a project such as the St. Lawrence waterway, which serves only as an inland medium of transportation, to be any less costly. The tolls will be low because of low cost articles such as coal and wheat.

We are obliged to contribute to this cost, Mr. Chairman. We in our part of Canada are obliged to contribute to the credit that is supplied in order to build this project. I want to repeat, for the third or fourth time, that I am not opposed to this undertaking, but I want some statement at this time as to what is going to be done for the maritimes. I want it from the minister as spokesman for the government; I want it from the government. I do not think he should ask the members from the maritimes to support this undertaking, which will be a menace to the maritimes, without giving us some undertaking or some hope that something is going to be done for the development of the industries and the refinement of steel in the maritime provinces. That is the position we are in. I want to vote for the minister's resolution but I want some statement from him.

Mr. McLure: Mr. Speaker, as nearly every other province has had quite a number of speakers on this momentous question, as the Minister of Transport (Mr. Chevrier) calls it, I think perhaps we might have a few words on behalf of the province which I have the honour to represent here, namely Prince Edward Island. If I did not say a few words on this occasion it might be thought that, since Prince Edward Island was wiped off the map printed in an advertisement the other day, we were still removed from the map. I saw an interesting cartoon the other day concerning the removal of Prince Edward Island from this map. It was in some of the leading papers in the east, and pictured half a dozen school boys asking their teacher, who was looking at the map contained in the advertisement, where is Prince Edward Island? With a long pointer the teacher was going from one end of the map to the other but could not find it. I am going to try to place the position of this island before the minister.

The resolution before the committee at the moment seems to be a rather peculiar one, although I must say I am not familiar with the drawing of resolutions of this kind. A corporation is to be created called the St. Lawrence seaway authority. The title seems to be rather broad, and this corporation will have absolute authority if the resolution passes in its present form. Mention is made also of the fact that the corporation may borrow amounts not exceeding $300 million. It appears that authority is given to borrow this $300 million four or five times for this one project, because the resolution says that amount is not to be exceeded at any one time. Probably the minister will have a different explanation of that sentence, but as I see it the St. Lawrence seaway authority has the power to borrow an amount not to exceed $300 million at any time it so desires.

A great deal has been said, Mr. Chairman, by the hon. members from the maritime provinces. For instance, the hon. member for Cumberland just made a speech in which he dealt with the historical aspect of maritime claims, and I consider he made a good case for the maritime provinces. We have listened also to excellent speeches from the hon. members for Royal and for Annapolis-Kings. I might say that all the speeches made on behalf of the maritime provinces have placed good arguments before the Minister of Transport. I should like to deal with the subject from the point of view of my province, the province of Prince Edward Island.

We all know that agriculture is the basic industry of any country. The province of Prince Edward Island not only equals but excels most provinces in the productivity of the soil. This fact has to be considered when we are appealing not only to the Minister of Transport, but to the government, for consideration. My province has no great industry except the basic industry of agriculture. Close to it in importance are our fisheries. In looking at this project from the point of view of an agricultural province, one can see that it is possible we shall not obtain any direct benefit. On the other hand if some benefit can be obtained for the maritime provinces, then perhaps the province of Prince Edward Island can benefit indirectly.

When the minister was introducing this subject the other day he made a wonderful speech in which he stated this was the most important subject upon which he had ever made a statement in this House of Commons. No doubt that is true from the standpoint of the great vision of tremendous benefits that will come to Canada. In his speech, however, I could not detect one ray of hope for any benefit, either directly or indirectly, coming to the province I have the honour to represent. The minister was speaking on behalf of the greatest province in Canada, namely

the province of Ontario. He has the honour to represent a constituency lying close to the site of this great project. In view of this fact, he had a right to speak of the scheme in such glowing terms, and to relate what this project would mean to the province of Ontario. I repeat that I followed his speech quite closely, but I could see no ray of hope for the province of Prince Edward Island, the banner province and the cradle of confederation.

If the minister had held out any hope of a plan which would have been of direct benefit to the maritime provinces from which my province might have reaped some indirect benefit, I would have been satisfied. I want to make it clear that I am not opposed to this great project outlined in the resolution before the house. I feel, however, that we should not support it unless we receive some assurance that the maritime provinces will derive direct benefits. The hon. member for Cape Breton South said that he did not care where the government wanted to place steel works for the further processing of steel. I say that we have a steel works now established at Sydney, and that is the type of thing we do want in the maritime provinces. If the minister had announced that he would expand this steel works that is in operation in Cape Breton so that it could manufacture enough steel to supply the demand, that would have met with our approval. Today they cannot fill one-third of their orders. If they want support from the government, let them get it out of this enormous sum that is to be voted following this resolution. I hope that when the minister revises his speech he will give some ray of hope to those of us in the east. I am sure it must have been an oversight on his part, but we want it put in writing this time that we are to get something; that is, if we are expected to support in every way this immense project. Of all the speeches that have been made here, I had great pleasure in listening to the leader of the opposition. In his speech on behalf of this project he included all of Canada from one end to the other. In his remarks he told the house and the minister that the maritimes had been neglected, and they should not be neglected, if this great project is to be what it could be on behalf of the whole of the Dominion of Canada.

I want to say a word or two with regard to my position. I have always said that I am not opposed to it. I know the good people of Prince Edward Island would not desire me to be opposed to anything that is in the interests of Canada as a whole, but they do desire to have something to show for their support of it. In the maritimes we should have something directly, and it may be indirectly to Prince Edward Island, which we will gladly accept.

As I said on a previous occasion, in reading the speech from the throne I noticed there was one thing which should have applied to our province. When the government said they were going to build this seaway project they left the hope that we in the east, who had been clamouring for different things in our provinces, would now get some consideration. We felt that the government was now loosening up, as it were, and that we could now demand action on some of the projects that we have been talking about over the years but had never received down in the maritimes. I want to mention one in particular. While this project may be a great vision, we all know that from time to time great men in Canada have had great visions. For instance, it was visionary at first when some men thought that the provinces of Canada should become united. That vision became reality. After that the question arose as to where the capital of this Canada of ours would be located. That great man, Sir John A. Macdonald, when looking over the size of the grounds for the capital, had a vision of where the capital buildings should be erected. He had a vision of the greatness of the future of Canada. In talking about the grounds for the parliament buildings, and where they should be erected, he said they should begin at the east of the canal, then run directly in a straight line to what is now Queen street until it meets the river. Had that vision become a reality, instead of the small area we have, all our great buildings in this capital belonging to the dominion government could be in one great common area instead of being scattered around the city.

Another great vision was the linking of eastern Canada with the western provinces by means of a railway. That was finalized, and what a great undertaking it was. There were other great visions. Some became realities and some did not. We have this great vision of a seaway. According to the minister it is going to become a reality, and in the most rapid manner possible. As soon as it is finished it will become the chief competitor of our great railway systems. That may be quite proper. If this project is all that the sponsors say it is, then I believe it could be built and operated from tolls. We all know that the tolls from the canals in Canada today are not sufficient to take care of the burden of running them. Even if it is not a paying proposition, would it not be better for the government to say that the

interest alone on this $2 billion or $3 billion that will eventually be spent would pay the deficit of our railways to the extent of $60 million a year? Would it not be better to put our efforts into the solving of the transportation difficulties of our railways instead of taking on this new project of a seaway for the benefit of centralization in the great provinces of Canada to the detriment of the outlying provinces?

I had hopes when we asked for the development of certain things in our provinces. When we have asked for certain things such as improvements to public buildings, new buildings and improvements in transportation, and also improvement of our harbours, which was at one time the policy of the Liberal party, the reply we received from the ministers was: No money, no material. Yet at the same time they have this enormous surplus, greater than they ever dreamed of getting. They have more now than they ever thought of. They have $640 million in the first half of the year. We find that Prince Edward Island has paid toward that surplus a little over $4,800,000. That is quite a lot of money when you are asking for only a few things that do not cost much over $1,500,000. We have been definitely promised certain things. It reminds me of this. When the Liberal party comes before the people they always have so much to offer but so little to give. This has been very true in our case.

I should like to deal for one moment with a project which, it seems to me, would come within this resolution, because it refers to transportation. I have in mind the harbour improvement we have been promised time and again by all political parties. Only one of those parties, however, has made any attempt to carry out those improvements. That was the Conservative government of Sir Robert Borden.

Here is an opportunity to carry out the St. Lawrence seaway and at the same time help us indirectly through improving our harbours, so that we may ship our products again and so that we may export and import. This may not be important to some who are smiling; I know they have no interest in the matter. But I say to them it is of vital importance to those of us in Prince Edward Island. Let me tell the minister and the committee that for years we have been given definite promises of harbour improvements, but those promises have been passed by.

I believe the promise is set out in one of the Liberal platforms and it was also being stated in the platform of the local Conservative organization, as well as in that of the federal organization. A plank in the platform of the provincial Liberal administration states this:

> We will urge upon the federal government the necessity of improving the Charlottetown harbour and waterfronts, and that the railway marine slip, for which a site has been surveyed, must be built immediately.
>
> We shall also explore new avenues to keep our people employed in the urban centres, and to introduce and develop new industries in our province.

During the last election campaign this was a vital subject, and one to which both major parties were committed. These harbour improvements would mean a great deal to Prince Edward Island and to the city of Charlottetown. We have a good harbour location. It may be that, in common with the harbour at Montreal, Jack Frost occasionally pays a visit so that shipping may be held off for two or three months, or perhaps four or five months, in a year. On the other hand the fact is that we have good harbour facilities and, as the Duncan commission pointed out, we are entitled to have that harbour maintained in proper condition. One of the recommendations by the Duncan commission in 1926 was to that effect.

I hope we will receive some assistance after this resolution is passed, and the seaway is being built. Perhaps I might make some further comments about the indirect benefits that would accrue to Prince Edward Island if an additional plant were added in Sydney, and if perhaps 10,000 more people were employed at that point. This would give us an opportunity to supply foodstuffs to those people, and Prince Edward Island is well suited to do that. We would have a market at home, a market at our own door, for all the foodstuffs we could produce, if we were permitted to supply additional steel works that could be erected in Nova Scotia.

I would repeat that harbour improvements would constitute a direct contribution that could be made for our benefit at the present time. While I do not oppose the resolution, because I know my people would not want me to do so, because of their interest in the Dominion of Canada as a whole, yet as the hon. members for Cumberland, Royal, Annapolis-Kings and Cape Breton South have said, something should be guaranteed directly to the maritime provinces by way of an undertaking as to what will be done for us when this St. Lawrence seaway is accomplished.

Mr. Argue: Mr. Chairman, I am proud to be a member of parliament in Canada at a time when our country is embarking upon a project of such gigantic proportions and with so much promise as the St. Lawrence seaway development. I believe hon. members

from all parts of Canada have taken the Canadian view. While many of them have emphasized the need for improvements in their respective areas, nevertheless this project seems to have been given almost unanimous approval.

As other hon. members have said, the government should bring forth not only a plan for the development of the St. Lawrence seaway, the benefits of which will be reflected chiefly in Ontario and Quebec, but an over-all plan for development in all areas of Canada.

This is a power and transportation project. The minister has said it will enable the rapid development of the Canadian steel industry. It is certain that as a result of it there will be a greater impetus to the industrial development of Ontario and Quebec, and a subsequent increase in the populations of those provinces.

I am sure those of us coming from other parts of Canada would like to see the government undertake other projects which, from our point of view, are as greatly needed as this one, and which would help industrialize the prairies and the maritimes as well as help us increase our populations in those regions.

The St. Lawrence seaway plan has been under study for many years. The government is now bringing forth a measure which will bring about the inauguration of that plan. I am sorry that, thus far, it has failed to announce a much needed project in western Canada, namely the development of the South Saskatchewan river. The far more expensive St. Lawrence seaway project is being embarked upon, but as far as our project is concerned, we are given another commission. We do not know when that commission will report. In fact, I have heard it said that the report cannot be made until the middle of next summer, which will mean that there can be no commencement of that project next year. While we from other parts of Canada support the St. Lawrence seaway project, the fact that the government is bringing forward this large and expensive project at this time leaves the government no excuse for further delay in the development of the South Saskatchewan river project.

It is debatable just what benefits may accrue to western Canada from the St. Lawrence seaway project. It has been implied that the development of this project will result in lower freight rates for grain moving to world markets, which saving would be passed on to the prairie grain growers in the form of increased prices. When considering a statement like that one should bear in mind that grain prices are set at Fort William. If there is an increase or decrease in the cost of moving grain to Fort William, there is a similar change in the price of grain to the producer. I do not think it follows that a four cent per bushel saving, for example, in shipping wheat past Fort William necessarily means a four cent per bushel increase in the price to western farmers. As a matter of fact I do not think that that result will flow.

If this project results in a substantial lowering of the cost of moving grain from Fort William to the markets of the world, that reduction in cost will be split between the western farmer and the importer of grain. The saving brought about by the St. Lawrence seaway project will benefit the prairie grain producers as well as the buyers of our grain. I do not think it is right to say that a substantial reduction in the cost of moving grain over the lakes means a similar increase in the price received by the western farmer for his grain.

During the last two or three years there has been an increase in the cost of shipping grain on the great lakes. In connection with wheat at any rate that increased cost has been passed on to the buyers of the wheat by adding a six cents per bushel handling charge to wheat obtained under the international wheat agreement. Had this project been in effect during the last two years the saving on the movement of grain over the great lakes and the St. Lawrence river would not have been passed on to the western farmers but would have been passed on to the buyers of our grain. I do think, however, over a period of time the St. Lawrence seaway will result in a saving on freight charges on grain and increased prices to western producers.

If through this measure the government is prepared to assist in the development of the lake ports of Fort William and Port Arthur then I think the government should under an over-all plan assist in the development and further use of Churchill. It is not enough for the government to lay down a plan which benefits in the main two provinces of Canada without at the same time including beneficial measures for other parts of Canada.

On a comparative basis we in Saskatchewan are more in need of power than is Ontario. The province of Ontario has industrialization and rural Ontario is electrified to a large extent. Saskatchewan lacks industries and while some rural electrification is going on, the vast majority of farms still do not have the benefits of electricity. If the farms of Saskatchewan are to be electrified

we must have new sources of power. Unless the federal government is prepared to proceed with the South Saskatchewan plan the provincial government through its power commission will have to develop its own power site at Fort à la Corne or produce power by the use of coal. The alternative is the development of power at high cost.

The government of Saskatchewan is not at all anxious to embark on the development of new power sources if there is any chance that the federal government will go ahead with the South Saskatchewan plan. Because of the need for power in Saskatchewan, because our province needs industry, because the prairie farmers should have the benefits of electricity the same as the farmers in other parts of Canada, the government should announce immediately that the construction of the South Saskatchewan river project will begin in the spring.

The development of power in Saskatchewan will not represent a dead loss to the federal government. I have here a report on the South Saskatchewan plan over the signatures of L. B. Thomson, director; G. L. MacKenzie, chief engineer, and G. N. Munro, associate chief engineer under the Prairie Farm Rehabilitation Act; A. E. Palmer, superintendent, dominion experimental station, Lethbridge, Alberta, and Dr. C. C. Spence, senior economist, dominion Department of Agriculture, Edmonton, Alberta. This fully-qualified committee states in its report that the annual gross value of commercial energy to be produced from the South Saskatchewan plan would amount to over $2 million.

It is estimated that the South Saskatchewan plan will cost the federal government $68 million as compared to $300 million for the St. Lawrence seaway. When we consider that great benefits will result to the people of Saskatchewan from the South Saskatchewan plan and that there will be revenue derived from that plan, there is no excuse for further delay by the federal government.

I support the St. Lawrence seaway project, as I have said already; but if the government can spend $300 million on the St. Lawrence seaway project I can see no earthly reason why the same government cannot obtain another $68 million for the benefit of the people of Saskatchewan and the prairie provinces generally. I believe the government should give the house an over-all plan for the development not only of the St. Lawrence seaway, which in the main will help Ontario and Quebec, but also a plan for the development of power and the industrialization of other parts of Canada including the prairie provinces and the maritimes.

Mr. Graydon: For a long time I have been advocating in the house and out of it, on behalf of the people in our section of Canada, that a start on the St. Lawrence deep water project should be made. They have a very strong feeling, as is the case in many other parts of the country, that this is a national undertaking which should be completed. During the last session of parliament I brought to the attention of the minister, the government and the house what I thought was a desirable course to follow, namely that we should go it alone. I felt we had lingered on the edge of the precipice of indecision long enough, that there was a limit to the patience of Canada, and that we had reached the position where we should proceed with the waterway as a purely Canadian undertaking.

It is naturally a matter of great satisfaction to me that the government has taken the stand it has and is prepared to introduce legislation to that effect. I have no desire to extend the debate. All I want to say, in what will perhaps be the shortest speech made on the resolution, is that the part of Canada from which I come is strongly and wholeheartedly in favour of the resolution and of proceeding immediately toward the completion of this great national undertaking.

Mr. Green: I should like to ask questions of the minister on two different aspects of the St. Lawrence waterway project. The first has to do with shipping. When he spoke on December 4 the minister said, as reported at page 1579 of *Hansard*:

> For one thing, almost half the seaway traffic foreseen is in iron ore.

I had not realized that the shipping of iron ore would constitute such a large proportion of the traffic through the new seaway. That brings up the question as to what ships will be carrying the iron ore. I understand that on the great lakes at the present time iron ore is carried largely in ships belonging to the steel companies. I may be wrong, but that is my understanding. Of course most of that iron ore comes at the present time from—is it the state of Minnesota?

Mr. Chevrier: The Mesabi range.

Mr. Green: From the Mesabi range, which is in the United States, although I presume the ore from Steep Rock is loaded at Fort William or Port Arthur.

Mr. Chevrier: Port Arthur.

Mr. Green: I should like to know whether there will be a similar situation with respect

to the iron ore from northern Quebec and Labrador. Most of the ore, as the minister has said, is to go to United States steel mills on or adjacent to lake Erie. According to press dispatches, some will also go to United States steel mills on the Atlantic coast. Will the ore be carried in United States bottoms, or is there any restriction under Canadian law by which it must be carried in Canadian ships?

Mr. Chevrier: Dealing with the first part of the question as to what ships will carry the iron ore, one must keep in mind the fact that it will be some years before the deep waterway is developed and, as I pointed out in the statement I made, the transportation of the ore will bring into being a new specialized ship which will carry the ore from Seven Islands to the great lakes ports and there take on grain cargoes for the downbound voyage. That is not to say that the present ships will be excluded; the ships operating at the present time on the great lakes, both Canadian and American, carrying iron ore will continue along the same lines. There is a shortage of shipping in that respect at the moment. The ships that will move iron ore from Seven Islands up the lakes will be of a new type in so far as the St. Lawrence is concerned. There are several under construction now.

Mr. Green: Where?

Mr. Chevrier: Two of them are under construction now in the great lakes yards. These ships are of a specialized kind.

Mr. Green: Is there any restriction on United States vessels carrying that iron ore from Seven Islands to ports on lake Erie or the Atlantic coast? Are United States ships just as free to carry the iron ore as Canadian ships?

Mr. Chevrier: The provisions of the Canada Shipping Act and of the agreement made between Canada and the United States will apply with respect to that ore as they do with respect to other movements. United States ships are free to come here, but I take it the ships that will take the ore at Seven Islands will be of Canadian registry. Unquestionably those that are being built now are of Canadian registry.

Mr. Green: I understand they do not have to be ships of Canadian registry. In other words a ship of United States registry is just as free to carry that iron ore as a Canadian ship. Is that right?

Mr. Chevrier: That will be a matter for the mine owner who will be selling his goods to determine. If he cannot charter a Canadian ship I am sure that is what he will do. If there is a Canadian ship available I am positive that is what he will want, but if there is a shortage of Canadian ships he might seek United States ships. At this time the position is that there is a great shortage of both Canadian and American ships, but by the time the seaway will have been completed I take it there will be sufficient Canadian carriers to transport the ore up the lakes.

Mr. Ferguson: May I speak on a question of privilege?

Mr. Green: May I finish my questions?

The Chairman: The hon. member for Vancouver-Quadra.

Mr. Green: According to the minister's statement that decision will rest with the mining company. If the mining company wishes to have the iron ore carried by a United States ship the company is free to do so. Am I correct in that belief?

Mr. Chevrier: I should not like to leave it on that basis. I would rather put it on the basis that the agreement which exists between Canada and the United States leaves it to the shipper to use either of the two.

Mr. Green: I would point out to the minister that the iron ore is being developed largely by United States interests. They control the iron ore. No one can question that fact. It is to be used largely by United States steel mills. I am afraid the minister is being extremely optimistic when he suggests that the mine owners will want to ship this iron ore by Canadian vessels. I hope he is right, but I think he would be far more realistic if he faced the fact that this iron ore is likely to be carried by United States vessels manned by United States crews, and that there will not be a great deal of employment for Canadian vessels, for Canadian shipyards or for Canadian crews. However, I have the answer I was looking for, Mr. Chairman. Before I go on with my other question I should be quite willing at this point to have the hon. member for Simcoe North make the remarks he wants to make.

Mr. Ferguson: Mr. Chairman, my colleague really answered the question for the minister. The minister was quite emphatic in saying that the owners of the mine would surely use Canadian boats to carry the ore. It certainly is a stretch of the imagination, but probably not to the minister when he thinks United States mine owners are going to go out of their way to put their freight on Canadian boats in order to ship it to the United States ports. It is just about in keeping with what the minister said yesterday when he told us

that the shipbuilding industry on the great lakes would be a great enterprise during a war, in that they would be inland shipbuilding plants.

The minister seems to be satisfied as long as our plants on the great lakes are operating during a war. He made the remark that he could not understand what I was trying to drive at. I can quite understand his not understanding when I hear these remarks from him. I was trying to get this government to do something so that our yards would not need a war in order to keep busy. May I remind the minister that the great lakes shipbuilding yards in Canada grew grass on their properties between the first great war and the second great war, and that it took this Liberal government two years to open up the Collingwood yard to build ships, and two and a half years to open up the Midland yard. It required the efforts of the mayor of Midland, of that great paper in the city of Toronto, the *Telegram,* and of the late member of the house, Dr. Herbert Bruce, to get this government to budge or make any semblance of a move with regard to building ships in yards that for years have been noted for their competence in doing just that, namely building ships of any kind and any type. Yesterday the minister thought he would salve the conscience of the people of Canada by saying that this undertaking will make a great wartime industry. He could not understand what I was trying to drive home to hon. members, namely that we should be thinking of industries that operate during wartime and during peacetime.

Mr. Chevrier: Nor can I understand what the hon. member is saying today.

Mr. Ferguson: I would not doubt that at all, because you are so convinced that your ideas are right at all times that nobody else could interject any comment in here, and you cannot see the real situation. You are too close to this waterway picture. Step back from it a little bit. Probably you have been in this picture too long.

Mr. Chevrier: Mr. Chairman, I thought the hon. member was going to ask a question. I understood that was why he interrupted my hon. friend, and that my hon. friend gave him the floor so he could ask a question; but for the last ten minutes he has been making a speech.

Mr. Ferguson: Hear, hear. I am glad you recognize a speech.

Mr. Browne (St. John's West): Mr. Chairman, before the hon. member for Vancouver-Quadra goes on with his questioning I wonder if I might make a few remarks, as a representative of a part of the country which perhaps has a great interest—

Mr. Green: Well, Mr. Chairman—

Mr. Browne (St. John's West): Do you want to speak? I thought you had finished.

The Chairman: The hon. member for Vancouver-Quadra had the floor, and he may have it if he wants it.

Mr. Green: There is one other matter on which I should like to get a statement from the minister. Before I go on to that, may I suggest to the minister that consideration be given to adopting a policy whereby this iron ore will be carried in Canadian ships manned by Canadian crews. I do not believe there could be any objection from the United States to a policy which will ensure that at least the great bulk of this iron ore is carried in our own ships.

Mr. Ferguson: The government know they cannot do that.

Mr. Green: The other question I should like to ask him also has to do with the iron ore; and I ask it because, as I said a few moments ago, the minister himself has placed such great emphasis on iron ore in this seaway picture. In effect he made it appear that the shipping of iron ore by the waterway was the most important feature in connection with the canal, or in any event one of the prime factors in the whole project. Has the government any plans for a great expansion of Canadian steel production?

Mr. Ferguson: No.

Mr. Green: I would point out that that is not the minister answering.

Mr. Ferguson: That is the right answer, though.

The Chairman: Order.

Mr. Green: Has the government any plan, for example, for expanding production by the present steel plants in Canada or has it any plan for the erection of steel mills in new centres in this country? I have in mind new sites in the maritimes—for example, in the province of New Brunswick—and in Quebec on the lower St. Lawrence, probably somewhere in the vicinity of Quebec city. Upon my visits to Quebec city I have always felt that great capital has suffered by reason of the development of the city of Montreal. It is tragic to go and see the harbour of Quebec, and note how much shipping could be handled there but how few ships are in the harbour; at least that has been the situation on any occasion I have had the privilege of visiting the city.

Then, are there any plans for steel production in the province of Manitoba? We now have the Steep Rock mine in northwestern Ontario producing large quantities of high-grade iron ore. All of it is being shipped to the United States. I see no reason why that ore could not be used, in part at least, in the province of Manitoba. Are there any plans for the production of steel on the west coast, in the province of British Columbia?

What I have in mind is this. Has the government any plans for using to the maximum our newly discovered and extremely valuable iron ore resources? What I have always advocated, of course, is a policy under which the Canadian people get the first opportunity to use their own resources. Hon. members will recall that for several sessions that same issue was fought out in this chamber on the gas and oil pipe-line question. What I should like to know is whether or not there is to be a Canada-first policy with regard to our resources of iron. I do not think anyone has the slightest objection to our surplus iron ore being used by our good neighbours to the south, or by any other nation. So I ask the minister whether or not the government has any plan for the expansion of Canadian steel production.

There would appear to be no such plan in contemplation, Mr. Chairman. In any event, as yet there has been no disclosure of a plan to the house. The main concern seems to be to get this Canadian iron ore down to the United States steel mills. The Minister of Trade and Commerce made that quite clear when he spoke in Washington a few days ago. I should like to quote from a report of his speech advocating the construction of the seaway, which appeared in the Ottawa *Journal* of November 29. It ended with this paragraph:

> But above all, it would provide the best assurance of adequate supplies of iron ore to feed the steel furnaces of the east coast as well as the great lakes.

The reference, of course, is to the United States. The head of the company which is developing the iron mines in northern Quebec and Labrador is reported as having taken much the same stand. I have here a press clipping from the Ottawa *Journal* of March 5, 1951, reporting the evidence given by George M. Humphrey, president of the M. A. Hanna Company of Cleveland, Ohio, before the public works committee of the House of Representatives, which committee was considering the St. Lawrence project. It reads:

> His company, Humphrey said, plans to ship from 2 million to 4 million tons a year from Seven Islands—

Which of course is on the St. Lawrence river.

> —to such eastern ports as Baltimore and Philadelphia, and from there by rail to the furnaces.

I presume that would be to the furnaces on the Atlantic seaboard of the United States. Then the report continues:

> The remaining 6 million to 8 million tons would go from Seven Islands up the St. Lawrence to Montreal. From there part would move by rail and part on smaller lake ships to the steel mills.

The reference, of course, is to the steel mills in the lake Erie area. These figures, Mr. Chairman, add up to the 10 million tons of iron ore which is to be the annual maximum produced from the northern Quebec and Labrador mines. Mr. Humphrey, who is head of the company which is mining the ore, said a certain percentage is going to the eastern United States and the remainder to the states south of lake Erie. I am citing that to show that the main concern is to get this Canadian iron ore down to the United States steel mills.

The minister himself, at page 1669 of *Hansard* for December 6, 1951, made it plain he has the same policy in mind. He was answering questions which had been asked by the hon. member for Cape Breton South, and we find these words:

> In any event the point was made by the member for Cape Breton South: Why export iron ore? I believe the words he used were these: To whom are we making the iron ore available? Why export iron ore? Well, Mr. Chairman, I do not think I need answer that argument, because the people of this country answered it many years ago. What happened to our gold and our silver in northern Ontario and northern Quebec?

Then the minister went on to try to justify the export of Canadian iron ore to the United States, and he used an argument which I believe is unsound and does not do him justice. I believe it is not a good basis on which to found Canadian policy in this regard. First of all, gold is a commodity itself. It is one of the precious metals, and not in the same category as iron at all. Silver is also a precious metal, and these two metals are sold in the raw state. Any comparison between shipping iron ore to the United States and shipping gold and silver is quite beside the point. I hardly think the minister would push that comparison any further or try to convince any intelligent person that there was much in that argument.

The minister did not stop there, but went on to aluminum. He said: Look at what has happened in the lake St. John area in the province of Quebec, and in the Kitimat area in British Columbia. No one has objected to the shipping out of aluminum, and he compared that with the iron ore. The fact is, Mr.

Chairman, that there again there is no possible comparison. The Canadian contribution to aluminum is electric power, which is perpetual. It goes on and on, and that is the great feature of electric power. We bring in the bauxite from British Guiana—I am not just sure of the source—but both in the case of the development at Arvida and the development at Kitimat practically all the raw material will be brought in from outside Canada. The Canadian contribution to aluminum is the electric power derived from our great water resources. So there again there was not any basis for comparison at all.

The fourth illustration the minister used was copper and nickel. He said the Canadian National is going to build a railway in northern Manitoba, costing many millions of dollars, to take out this copper and nickel which would go to the United States. Well, the minister was far off base on that. The point was carefully considered in the standing committee on railways, canals and telegraph lines last session. Evidence was given by Canadian National Railway officials as well as officials of the Sherritt Gordon Mines Limited, the company which is to produce this nickel and copper.

What is happening there is that the Canadian National is building a line into Lynn Lake, where there are these large deposits of copper and nickel; but that copper is to be taken out and smelted at Flin Flon in Canada, and the nickel is to be taken by the Canadian National Railways all the way to Edmonton, there to be smelted in a new plant using natural gas. The bulk of the cost to the Sherritt Gordon Mines Limited is in that plant at Edmonton. I hold in my hand the annual report of this year. It shows that their whole program is to cost $28,318,000, and of that amount $17,522,000 is to be spent for a refinery at Edmonton in Alberta. They have done just exactly the opposite of what Canada is going to do with this iron ore. It is a Canadian development of the type that will make this country great; not a case of just digging our ore out of the rocks and then shipping it over to the United States for them to refine and sell the products back to us at a vastly increased price.

Then the minister mentioned oil. I do not think he mentioned natural gas, but perhaps we could take the two of them together. He said: "We are going to export our oil to the United States." Well, the government has been very careful to take the position in the house that the oil which is going through the pipe line to Superior, Wisconsin, is not for the United States, that it is to be carried by tanker down to Sarnia, Ontario. The government itself has been very careful to keep from getting into the position where it could be accused of sending our oil to the United States. The hon. member for Fraser Valley and I have been busy for a long time fighting out this question in the house, trying to bring about a policy whereby Canadian oil would be shipped to the Canadian Pacific coast before going to the United States. The same applies to natural gas. I think we have a reasonable prospect of winning out and seeing our policy followed; but certainly there is no basis there for comparison with what seems to be the policy of the Canadian government with regard to iron ore.

I submit, Mr. Chairman, that iron ore is in an entirely different position, because iron is not of much use of itself. Iron is the basis for steel, and it is steel which is of such great importance; it is steel which should be produced in Canada. We should be putting the spotlight on the production of steel here rather than on the production of iron ore.

Another thing that worries me about the minister's statement with regard to policy on iron ore is that in his remarks last night he emphasized the great difficulties we would face if we had a Canada-first policy. The hon. member for Cumberland mentioned pulpwood. That was a very hard one for the minister to answer, but he got around it in this way. He said that in pulpwood we have no competition. In pulpwood we can do whatever we like; we can hold up the Americans if we wish; it cannot be compared at all with iron ore, because we cannot do that with iron ore; that there is iron ore away down in Venezuela; if we did not sell them iron ore the Americans would get theirs from Venezuela; that they will not buy ours and we will be in a terrible mess. That was his answer on the question of pulpwood, and I submit to hon. members that on that point, too, the minister was very far from reality.

Then he had another excuse as to why there should be no dominion policy on iron and steel. He said, why, it is up to the provinces; they are the ones who are handling the pulpwood. They fix that up for Canada. They are the only people who can deal with this iron ore. The dominion government cannot do it at all. It has to be done by the provinces. Well, I say the dominion has a few powers left yet. The dominion has absolute control over iron and steel at the moment, and if it wishes to do so it can take steps to see that the very maximum amount of iron ore that can be used in Canada will be used

here. This government cannot evade its responsibilities for seeing that Canadians get first chance to use their own iron ore.

Another reason I am worried about the minister's policy, or lack of policy, on this question is that we are going through exactly the same difficulty in British Columbia today. Last year we had the Minister of Fisheries out on the coast. He was questioned about the establishment of a steel industry there. We have been desiring a steel industry on the coast for many years. We thought we had it several times. We have had many promises, but nothing has ever happened. I hold in my hand a clipping from the Vancouver *News-Herald*, dated November 4, 1950, headed: "Mayhew says time ripe for steel plant in B.C." He is quoted as saying:

"I say a steel industry is a must so far as we are concerned in B.C." he declared Friday.

The article goes on to say:

"This will always be a place where ships are built and steel will be needed for that. There are quite a few miscellaneous industries here now that also need steel."

I am not questioning the genuineness of the Minister of Fisheries. I have great regard for him, and I am not complaining for a moment about his attitude on this question. The dispatch goes on:

"The mill at present uses scrap as raw material." Mr. Mayhew observed.

He is referring to a small mill we have in Vancouver, which does not use raw ore but uses scrap. I continue:

"Steps should be taken, I feel, to develop raw material from the natural ore."

The minister said the ore could be provided from known deposits on Texada island, Zeballos or Quinsam on Vancouver island.

That was last November. What has happened in the meantime. Well, last summer some arrangement was made, in which I think the Canadian government was involved, whereby iron ore from at least two of these districts to which the Minister of Fisheries referred is being sent to Japan. That had to be done through the United States occupation authorities in Japan, and the United States government would have to deal with the Canadian government. But however it was done, the facts are that British Columbia ore is being shipped out to Japan and is being bought back in the shape of steel. I hold in my hand the script of a news round-up of the Canadian Broadcasting Corporation, dated October 30, 1951, and we find this statement in the script:

Last August the Argonaut Company, a big American firm—

Incidentally in British Columbia this iron ore is being mined by a United States firm.

[Mr. Green.]

It is probably a great deal more American even than the firm which is going to mine the iron ore in northern Quebec and Labrador. I continue with the quotation:

Last August the Argonaut Company, a big American firm, shipped its first load of ore out of here from the new Quinsam lake development,—

That was one district referred to by the Minister of Fisheries. The script continues:

—and the Japanese promised that Canada would share in the resulting finished steel.

Today, a good eight weeks sooner than anyone expected, they are making good on their promise.

Down at Ballantyne pier on Vancouver's busy waterfront is the big 10,000-ton freighter S.S. *Chuyei Maru.*

A Japanese freighter, by the way.

Mr. Chevrier: On a point of order, I would ask you to rule, Mr. Chairman, whether a discussion such as this can be brought on when we are discussing jointly two resolutions for the development of navigation and power on the St. Lawrence river. If there is not going to be some control over the discussion we will never be able to come to a conclusion on these resolutions.

Mr. Green: The minister himself has stressed the importance of shipping Canadian iron ore to the United States. That point was discussed in the house last night, and I am speaking about it at this time. I have asked the minister whether the Canadian government has any plan for a great expansion of Canadian steel production. I submit I am entirely in order in pointing out what is being done on the Pacific coast at this time, because it is all part of one policy. The question is: Are Canadians to have the benefit, first, of Canadian iron ore?

Mr. Fournier (Hull): Are you in favour of the project, or not?

Mr. Green: You are not going to draw me off with a red herring like that.

Mr. Fournier (Hull): I am drawing you up the St. Lawrence.

Mr. Green: I have sat here, watching and listening to the Minister of Public Works for a long time. I am not going to bite that easily.

Mr. Laing: Will the hon. member say whether having regard to all the conditions he is in favour of the shipment of iron ore to Japan?

Mr. Green: No, I am not. I think it could be smelted in British Columbia; and our resources of iron ore at that point are certainly not sufficient to ship it to Japan and then buy it back as finished steel.

Mr. Chevrier: I suggest we should have a ruling on the point of order.

The Deputy Chairman: Now that I have heard the point of order raised by the Minister of Transport, and the explanation by the hon. member for Vancouver-Quadra, I am in a position to agree with the hon. member for Vancouver-Quadra when he says the matter was introduced last night by the Minister of Transport. I am referring to the development of the use of iron ore throughout Canada, through the deep waterways project.

What the hon. member for Vancouver-Quadra was saying is only incidental to the matter under discussion. I believe the hon. member will agree that what he was saying was incidental to the matter introduced last night. The practice has been to deal with the main subject, and to discuss only briefly those matters related to it. I think however that on this occasion the hon. member should direct his remarks mainly to the point before us. I think that was what the Minister of Transport had in mind. If the hon. member speaks for half an hour about the iron ore situation in Vancouver and for only five minutes about the deep waterways project on the St. Lawrence, which is the main subject under discussion, then I think he must agree that the point is well taken by the Minister of Transport.

Mr. Fournier (Hull): The main question would become the incident.

Mr. Green: I have practically completed the illustration I was about to give. I suggest the reason the minister rose was that the subject was getting a little hot.

Mr. Chevrier: I would like to tell the hon. member that he is not hot at any time.

Mr. Green: I do not know whether that is a compliment or an insult.

Mr. Chevrier: It was not meant as an insult.

Mr. Green: The final paragraph of this radio broadcast reads as follows:

> The long-necked cranes dipping into her holds are unloading 7,000 tons of high quality steel plate worth one and a half million dollars.

That works out at over $200 a ton for the steel. On the other hand I am told by the experts that Canada would get about $10 a ton for the raw ore shipped to Japan. This is a difference of $190. The situation was summed up admirably in an article headed "The Case for an Iron-and-Steel Plant," written by Mr. C. M. Campbell, one of our outstanding authorities. This appeared in the *Western Miner* for June, 1951, and states:

> Texada, Quinsam, and Zeballos to supply Japan.
>
> Those are the three districts mentioned by the Minister of Fisheries as sources of iron ore.
>
> Published information is that Utah Construction is opening up Texada; that its subsidiary, Argonaut Mining is opening up Quinsam; and that Frobisher plans to open up Zeballos. The statement is that this ore is to be exported essentially to Japan. The operators will receive about $10 for each ton of contained iron as against a minimum of $120 per ton if made into steel here. We should not be content with holes in the ground and $10, less whatever profit is taken out of the country.
>
> Incidentally the profit goes out of Canada.
>
> We have to go back to the days of Esau to find the record of a similar arrangement.

Again I ask the minister whether the Canadian government has any plan for a great expansion of Canadian steel production. So far as we have been told up to the present time, the plan would appear to be a barefaced exportation of our iron ore in the raw state, without any thought being given to expanding and spreading Canadian steel production. Meantime Canada is crying to the United States all the time for more steel. That is the second question to which I would ask an answer from the minister.

In closing I would like to answer the question asked by the Minister of Public Works. I am in favour of the St. Lawrence waterway development. But I suggest it would have a far greater appeal to parts of the country which will have very little benefit from it if that development included a proper Canadian policy on iron ore and steel.

Finally, I hope the Minister of Transport will give an undertaking that the government will help the maritime provinces. Up to now no such undertaking has been given. Representatives from the maritimes who rise in the house to plead for their people are treated as though they were bad boys, and should not be making so much trouble. Perhaps that is putting it a bit unfairly; but they are being more or less pushed aside, they are just tolerated. They are not given the consideration to which they are entitled.

I wonder what the situation would be if some of those who take this unfair attitude had come from parts of Canada where, year in and year out, the people see their sons and daughters having to leave home and go to what they call Upper Canada—Ontario and Quebec—and in some cases even to British Columbia. When I have visited the maritimes I have had young maritimers inquire from me as to how they might settle in British Columbia. When one has to face that condition, where thousands of young people go to another part of the country while others go to the New England states or to other parts of the United States, he realizes that this is not a laughing matter. Then, when one sees the headquarters of great industrial organizations moving from Halifax to Montreal or Toronto—and I have in mind the headquarters of the Bank of Nova Scotia—

Mr. Winters: The headquarters of the Bank of Nova Scotia has not moved to Toronto. It is still in Halifax.

Mr. Green: The Royal Bank moved from Halifax to Montreal. The headquarters of manufacturing concerns are also being moved into central Canada. I say when one sees that sort of thing going on, one wonders why every maritimer in the house is not on his feet making demands that there be some *quid pro quo* for the maritime provinces.

It is obvious that the great power development on the St. Lawrence along with construction of the seaway will concentrate population and wealth in the Montreal-Toronto-Windsor area to a greater degree than at the present time. On November 19, as reported on page 1122 of *Hansard*, a series of questions was asked by the hon. member for Royal, as follows:

Mr. Brooks:

1. What is the number of industries established by foreign countries, other than the United States, in Canada, since January 1, 1946, to the present time?
2. How many in each of the provinces, respectively?
3. In each case, what is (a) the country of origin; (b) the amount of capital invested; (c) the product being manufactured?

Mr. McIlraith:

1. 136 plants were established during that period.
2. Ontario, 61; Quebec, 59; Newfoundland, 5; Nova Scotia, 5; Alberta, 3; British Columbia, 2; New Brunswick, 1.

None in the other provinces. I think the same picture would be found in regard to the establishment of new Canadian industries.

The maritimes seem to be dubious about this plan, and I hope that the minister will give some undertaking that definite steps will be taken to build up the shipbuilding industry in the maritimes, or to help them develop their power resources. Without power you can do very little in this modern age. I do not see why an immediate investigation should not be made of the Passamaquoddy and Chignecto canal projects, and why those developments should not be undertaken.

The minister mentioned shipbuilding. I suppose he was referring to shipbuilding during wartime, but he did suggest that destroyers would be built on the great lakes. Every destroyer built in Canada during the last war was built in Halifax. Why on earth should Canadian destroyers be built on the great lakes where they would be frozen in for perhaps five months in the year? Certainly there is no reason why destroyers could not be built in Halifax. I do hope that the minister will be able to give some assurance to the members from the maritime provinces, something a great deal more definite than he has given thus far.

Mr. Browne (St. John's West): Mr. Chairman, as a representative from Newfoundland I feel I should have something to say about this project which has been looked forward to by the people of Newfoundland as one that will be beneficial to them. As everyone knows, Labrador is an appendage of Newfoundland containing around 110,000 square miles. Until a few years ago it was regarded as being only a source of fish and the site of the operations of the Hudson's Bay Company and Indian trappers. In 1936 the Labrador Mining and Exploration Company was formed to explore the mineral discoveries that had long been reported by geologists. Many people in Newfoundland were most enthusiastic about the possibilities of the iron ore development in Labrador. That was during the days of the commission of government and a large concession of 20,000 square miles was leased to this company for a term of years.

That company is controlled in Canada. I have before me the Financial Post Survey of Mines, 1951, which gives the names of the directors. Mr. Timmins is the president and the company is controlled by the Hollinger Mining Company which owns the larger proportion of the stock, and M. A. Hanna and Company, holding the minor interest. This parent company has made agreements with other companies, including the Iron Ore Company of Canada which was formed in Wilmington, Delaware, and which is financed by a group of United States steel companies including Armco Steel Corporation, Hanna Coal and Ore Corporation, National Steel Corporation, Republic Steel Corporation, Wheeling Steel Corporation and the Youngstown Sheet and Tube Company. That company is also associated with Hollinger Consolidated Gold Mines, Hollinger North Shore Exploration Company and Labrador Mining and Exploration Company. There is also the Hollinger-Hanna Limited, which is a Canadian company formed in 1949 to manage the operations for ten cents per ton. Then there is Hollinger North Shore Exploration Company Limited which was formed in 1942 and which received a number of concessions from the province of Quebec. That company is working in conjunction with Labrador Mining and Exploration Company of Newfoundland because the properties in Quebec and Labrador are contiguous.

I am sure everyone will agree that the hon. member for Vancouver-Quadra takes second place to nobody in this house in his patriotic desire to see the industries of Canada developed and expanded. At the

same time I am sure he must recognize that even in connection with an industry of which he knows so much, the oil industry, the principal interests are from the United States. We must look to the richest country in the world to provide funds for the development and exploitation of our natural resources. We in Newfoundland must look outside. Before confederation we were told that Canadian capital would pour into Newfoundland to help in the development of that province, but unfortunately that has not been the case. The only capital we have at the present time to develop the industries of Newfoundland is English and American, with a combination of Canadian and United States capital in connection with this development in Labrador.

The hon. member for Vancouver-Quadra has stressed the desirability of the government promoting the smelting of iron ore in this country. I hope I do not do him an injustice when I say that the hon. member for Cape Breton South seemed to me to favour nationalization, that the government should take over the business if private enterprise is not willing to do it.

Mr. Gillis: I want to correct my hon. friend. I never used the word "nationalization" and I am not responsible for his interpretation.

Mr. Browne (St. John's West): The hon. member did not use that word, but he suggested—even the hon. member for Vancouver-Quadra suggested—that the government should take steps. It would be a great departure from the policy that has been pursued in the past in the development of the great industries of this country if the government should go into industries of that kind. Only the other day the people of England turned out the Labour government because it had gone in for the nationalization of steel. It is certainly very questionable whether the government could do as good a job as private enterprise.

Mr. Fournier (Hull): Mr. Chairman, is that in order?

The Deputy Chairman: I think the hon. member will realize we are not engaged in a discussion of private enterprise versus nationalization or vice versa.

Mr. Browne (St. John's West): Mr. Chairman, if what I have to say in connection with the use to which the iron ore is to be put is not relevant, inasmuch as the principal reason for building the waterway is to carry it to the mills, then I do not know what is relevant in this discussion. The minister himself has said that the chief commodity which will be transported through the canals will be iron ore. Therefore I feel it is a matter of very great importance, especially when the question has been so widely discussed by previous speakers, to make a passing reference to it, which is all I intend to do. If I may, I should like to say that we are perhaps looking too far ahead. It will take several years to build the waterway. It will take several years to build the railway and bring the mines to the state where the iron ore can be marketed anywhere.

Furthermore I want to point out—and I believe this is relevant—that we have other iron ore mines in Newfoundland. There is the iron ore mine on Bell island which is owned by the company that operates the coal mines at North Sydney, Sydney and elsewhere in Cape Breton. They are not able to use all the ore that is being produced at Bell island at the present time, and have never been able to do so. Up to the present time Canada has never been able to use all the ore produced in this country. I would say most of the iron ore produced in Canada is exported somewhere. We export iron ore to Germany, the United States and England.

I should also like to make reference to the remarks of the hon. member for Vancouver-Quadra (Mr. Green) concerning his desire that Canadian ships should carry the ore to market. May I point out to him that would be a restriction upon the companies operating the mines that might be prejudicial to their interests and might be a burden upon them. They might not be able to meet it. As he pointed out, iron ore sells at a very low price, between $5 and $10 a ton. Therefore in the export of iron ore at so much per ton it might be a matter of great consequence to make a beneficial contract at the best rates possible for transportation. English and Norwegian ships are also engaged in the transportation business to a very large extent. If, as is possible, this valuable high grade ore may be shipped to England, Germany, The Netherlands and places along the Atlantic seaboard, it may be most desirable to have other ships in addition to those of Canadian registry. I doubt very much whether Canadian ships can handle even a small proportion of the production of the mines.

I am sure everyone will agree that it must be a proud occasion for the Minister of Transport, as he told us the other day, to be introducing these resolutions in the house. Coming as he does from the city of Cornwall, where all his life he has looked upon the great restless St. Lawrence passing by his door, some time in the past he must have visualized what is now about to happen. I

think we can all agree with him it is a matter of pride that he should be the one to introduce these resolutions.

There are two resolutions, one dealing with the development of hydroelectric power concerning which there has not been much criticism. There cannot be any, because it is a natural resource that belongs to the province of Ontario and the state of New York. Its development is not going to cost the dominion a cent. No claim can be made upon the dominion's taxpayers. Therefore it is a natural development which the Ontario government is proceeding with, in the first place for the benefit of the people of Ontario, and I believe indirectly for the benefit of all the people of the dominion. The other feature is the waterway; that is the one that has given rise to the criticism that has come from this side of the house. Naturally I sympathize with the hon. member for Cape Breton South (Mr. Gillis) and the other speakers from the maritimes who feel that government funds are now going to be invested in a project that seems to hold within it possibilities of damage and even, as has been pointed out by the hon. member for Cape Breton South, ruin to their coal industry. I am not so pessimistic as he is that the industry cannot stand the shock of further expansion of the transportation system of Canada. No one who has criticized this measure has been so bold as to say that he is opposed to it because it too is a natural development.

Many years ago in the early days of the exploration of Canada *les coureurs des bois,* French soldiers and missionaries did not hesitate to travel upon the waters of the St. Lawrence and the Ottawa through the rapids for purposes of exploration and to ascertain the resources of the country. It seems to me that in the second half of the twentieth century the government should be criticized if it did not do something to improve the system of waterways beyond its present condition. Anyone who goes to Cornwall today cannot help but feel somewhat astonished at the poor condition of the waterways in that area, and that the proposed development is not only opportune but seems to have been too long delayed. It should have been proceeded with long ago.

When one sees the magnificent locks at Sault Ste. Marie and realizes what has been done in that area, and compares it with the condition existing near Cornwall, one has ground for saying that the Dominion of Canada has been negligent in its duty rather than complimenting it on being ambitious and forward looking. Members from the maritimes have often expressed a certain criticism of the government that is associated with a feeling of envy of the two central provinces, Ontario and Quebec. It seems to me we have no right to envy these two provinces that have been so graciously endowed by Providence with such marvellous natural advantages and tremendous resources. The St. Lawrence and the waterway system right through to the head of the lakes are a tremendous asset to both these provinces. I cannot see that it is a disadvantage to the rest of the country that industry should be expanded to the extent it has been in Ontario and Quebec, because it means that goods are being produced in this country that formerly would have been imported from other places. They are being produced in large quantities and are of high quality, thus giving people value comparing favourably with that of the goods they used to import from elsewhere.

When hon. members from the maritimes speak of the decentralization of industry, I wonder what they mean. I feel that what they really mean is that there should be more industries in their home towns. Certainly I can understand every hon. member wishing to see his own home town developed as rapidly and broadly as possible. But, sir, there is such a thing as decentralization even in the central provinces, and it exists today. While I have not a great knowledge of the subject I feel that the little towns and smaller cities in Ontario and Quebec are examples of decentralization. They are not worth an atomic bomb, yet most of them contain industries of considerable proportions and of great value to the people who live there. Decentralization was made possible by the development of hydroelectric power, and I doubt whether in any other area of Canada, or anywhere in the world, electric power has been better developed, preserved so carefully, or so highly thought of as in the provinces of Ontario and Quebec. The decentralization that exists in those provinces means that electric power can be supplied to almost all of their villages, towns and cities. There is hardly any point in the two provinces for a long distance from the rivers where the power is developed that electricity is not extensively used.

My hon. friend who has spoken so much about decentralization is no doubt thinking of the industry that exists in the cities of Montreal and Toronto. I feel that is his main objection. He was not thinking of the smaller towns in the provinces of Ontario and Quebec where industries are established. But, Mr. Chairman, it seems to me difficult for the federal government to interfere with expansion of that kind. I have heard my hon. friends on this side of the house speak of the abnormal developments in the city of Toronto.

During the past few years many industries have established themselves there and millions of dollars, even hundreds of millions, have been invested. But once again we must look at the natural advantages these two cities possess. With their geographical location in the centre of great populations, as they are, they are the natural places for industry to be established.

It seems to me, however, that the government, in developing a waterway like this, even if it is justified in doing it—and I am sure it is—must nevertheless give an ear to the complaints that come from the maritime provinces. They feel that they are being overlooked. My hon. friend who sits opposite me at the moment, the hon. member for Saint John-Albert, I am sure must be thinking of the great dock in the city of Saint John that is so often empty when it might have shipping there to be repaired or ships being built. I suppose it is the largest dock in Canada; if not, it is one of the largest.

Mr. Riley: Drydock.

Mr. Browne (St. John's West): Yes, the drydock. It is a sad thing that the people of Saint John have to look upon that dock and see it not in use. Many hon. members and many people outside this chamber often express the opinion that the government should be run like a business. That is a theory with which I have never agreed. I think it is entirely unsound. A government is not a business. In my opinion, to express the matter in my own simple way, a government should be like a family, and the government should look after those parts of the country which are not so highly endowed with perhaps greater care than those parts like Ontario and Quebec which already have benefited so greatly from the gifts of divine Providence. So if in the maritime provinces, especially in the province of Nova Scotia, there is not the natural resource of water from which electric power can be developed to be sold cheaply, still there are great resources of coal which can be converted into electricity.

In that respect I think the federal government may be able to be of some assistance. If it is found that the development of electricity in Nova Scotia or any other province must be done at a higher cost than when it is produced from the natural resource of water on the St. Lawrence or on the Ottawa, it seems to me there is a case to be made out for a subsidy to those provinces where the electricity cost is so high. In the matter of freight rates the government is doing a similar favour to this province. Perhaps I am not using the right word when I say "favour", but it is showing proper consideration to this province when it adjusts the freight rates so the manufacturers in the maritime provinces can get their products on the market in the central provinces, which have large populations, more or less on the same footing with the manufacturers in the central provinces. In this and in other things, too, I think what is required is for the federal government to be sympathetic.

I know the minister himself is extremely sympathetic to any reasonable argument that is put before him. As he sees this great development mature; as he watches it frequently from his home; as he looks out upon the St. Lawrence and sees that flood of water being converted into electrical energy; as he visualizes the ships going up the St. Lawrence, let us hope they will not only go up with iron ore, but that they will go up with coal from the collieries in the constituency so ably represented by my friend the hon. member for Cape Breton South, and also other products from the maritime provinces, even if they have to be assisted, as they are assisted in their transport by railway. Let us hope those products will be coming from these provinces in great quantities, and that this development which seems to me to be so beneficial to the two provinces of Ontario and Quebec will also in the long run prove beneficial to all the other provinces of Canada.

Mr. Gillis: Mr. Chairman, I am rising at this point merely to try to straighten out the mind of the hon. member who just took his seat, if that is possible. As I sat and listened to him, I was amazed. First he is in complete opposition to the government of Newfoundland in the methods now being employed to create subsidiary industry in that province.

Mr. Browne (St. John's West): Yes. I am absolutely opposed to that; certainly.

Mr. Gillis: I am glad to know that the people of Newfoundland will be fully aware of that fact; because after years and years of the kind of development visualized by my hon. friend, Newfoundland stood as a rather badly undeveloped and in every way neglected section of North America. In 1944 I heard a representative of the British government make a report to a meeting in London. The hon. member for Melfort was there at the time.

Mr. Browne (St. John's West): Mr. Chairman, I wonder if the hon. member is out of order now?

Mr. Sinnott: Oh, sit down and take it.

The Deputy Chairman: Perhaps we might give the speaker a chance to make his point, so we may find out whether or not he is in order.

Mr. Gillis: I can understand the impatience of my hon. friend. He is an ex-judge; he has been in the position where he called the shots and whether you liked it or not that was his judgment. He made a poor job of assessing my evidence. I may say to my hon. friend that I am getting around to his ideas as to developing the province from which he comes. After listening to the report of that commission of government on the educational standards, the economic backwardness, the lack of sanitation and everything that was not modern in this world, if I had not known the section of Canada that was being referred to I would have thought the representative of the British government was describing a section of South Africa where civilization has just gone in to make a survey.

Mr. Browne (St. John's West): Mr. Chairman—

Mr. Gillis: If my hon. friend will just permit me—

Mr. Browne (St. John's West): Mr. Chairman, I rise on a question of privilege.

The Deputy Chairman: Order. The hon. member for St. John's West is rising on a point of order.

Mr. Browne (St. John's West): I am rising on a question of privilege, Mr. Chairman.

The Deputy Chairman: On a question of privilege, I should have said.

Mr. Gillis: He cannot do that while I am making a speech.

Mr. Browne (St. John's West): Will the hon. member sit down?

Mr. Gillis: The chairman is still in control of this committee.

The Deputy Chairman: Order. Now that I am standing up, I will have to ask the two hon. members to sit down.

Mr. Gillis: Mr. Chairman—

The Deputy Chairman: Order. While the hon. member for Cape Breton South was speaking, the hon. member for St. John's West rose on a question of privilege.

Mr. Browne (St. John's West): Yes.

The Deputy Chairman: Now the hon. member for Cape Breton South will have to wait until the hon. member for St. John's West has stated his question of privilege in order that I may ascertain whether or not it is a real question of privilege.

Mr. Browne (St. John's West): The hon. gentleman is referring to a report made by a member of the commission of government in 1944. He has not mentioned his name.

[The Deputy Chairman.]

The Deputy Chairman: I must advise the hon. member that is not a question of privilege, but it is a matter of clarification. The hon. member should have risen on a question of order, but if the hon. member for Cape Breton South does not resume his seat thereby acquiescing to the member for St. John's West interrupting him, then the hon. member for Cape Breton South cannot be interrupted. Upon the conclusion of the speech by the hon. member for Cape Breton South, the hon. member for St. John's West may rise and clarify the matter. As a matter of fact that is what the hon. member for Cape Breton South is doing. He has risen to clarify some points mentioned by the hon. member for St. John's West. When the hon. member for Cape Breton South has concluded his remarks, the hon. member for St. John's West will have the privilege of doing likewise.

Mr. Browne (St. John's West): The hon. member is clarifying some comment, but is it necessary for him to go back into the history of 1944 to mention certain remarks? Those remarks are unjustified and untrue.

The Deputy Chairman: Order. The hon. member will realize that it is not for the chairman to say whether or not these things are true. When the hon. member for Cape Breton South has concluded his remarks, the hon. member will have an opportunity of clarifying that point.

Mr. Browne (St. John's West): May I ask him to mention the name of the commissioner?

Some hon. Members: Sit down.

Mr. Browne (St. John's West): I shall not sit down. When the hon. member refers to a member of the commission of government, I suggest to you that he should give the name.

The Deputy Chairman: The hon. member for Cape Breton South has the floor, and is not to be interrupted unless he consents.

Mr. Gillis: I would not be on my feet at the moment if it were not for the fact that the statements made by the hon. member need clarification. He raised the question whether or not the development of this country should take place in a certain way. I am merely pointing out to him, in view of his ideas as to how this country should be run, the circumstances which prevailed before the present Newfoundland government undertook to create and assist industries in that province. If he wants things to remain as they were before confederation, and to quarrel with what is taking place in his province now under government direction

and guidance, I think that should be made plain for the benefit of the people of Newfoundland.

In his remarks the hon. member stated that I had suggested this project should be nationalized. I do not know where he got the word, because it was never mentioned here and it certainly is not applicable to the development proposed by the minister. What I suggested the minister should consider, and I still hope he will give it consideration, is that the authority being set up under the terms of this resolution should be set up along the line of the T.V.A. in the United States. My hon. friend professes to be a great supporter of the co-operative movement. One of the largest and most successful co-operative developments in the world is the T.V.A. in the United States, which operates under government guidance and support. I visualized this project developing in Canada under a co-operative authority along the lines of the T.V.A. in the United States, with the support and guidance of the government. In this way we might have equality of opportunity as between province and province. If my hon. friend cannot differentiate between nationalization as interpreted by his own party across this country and a co-operative development under government guidance, then the responsibility is not mine. I refuse to allow any one in this house to tie me up with the sort of thing the hon. member attempted to write into my speech.

The second point the hon. member tried to make was that the iron ore development in Ungava or Labrador was being made by Canadian capital. I do not have to answer that, because he answered it himself. He put on the record the fact that two Canadian companies were organized to receive a franchise from the government of Newfoundland and the government of Quebec, but they are merely subsidiaries of the M. A. Hanna Company in the United States. Then he tied in the whole picture just as I did three years ago, by proving that National Steel, M. A. Hanna Company and the other companies he mentioned really have the capital, and the Canadian companies are merely a front. It was necessary to have Canadian companies to get the franchise, but actually the control of the whole operation is under the M. A. Hanna Company of the United States.

I am sorry, Mr. Chairman, that I had to get up and say what I did. I refuse to be misinterpreted by anyone in this house. I am willing to sit here and let anyone express his own opinion on this project in any way he sees fit, but if he tries to tie me in with his thinking on the project then I am going to object. I am sorry that the hon. member spoiled an excellent, impartial and non-political analysis of this project by the hon. member for Vancouver-Quadra. I just wanted to straighten out this business of nationalization, because I did not visualize this project as coming within my hon. friend's interpretation of that.

Mr. Browne (St. John's West): Now that the hon. member has finished, may I point out to him that I was not referring to this project but to his reference to steel.

Mr. Gillis: I made no reference to steel, either.

Mr. Blackmore: Is the minister not going to answer the questions put to him by the hon. member for Vancouver-Quadra?

Mr. Chevrier: If I may be allowed, I would prefer to do that on the bill. I have spoken on two different occasions for forty minutes each, and if the house will allow me I would prefer to make any additional comments on the bill.

Mr. Noseworthy: Will the minister tell us whether his department has given any consideration to extending the authority of the corporation to be set up under this resolution, in order that it may plan and integrate the various developments that must of necessity follow the opening of this deep waterway? Does the government plan to use the authority we are setting up here, or does the minister plan to set up another authority? Does he plan to bring this project under some government department? Yesterday the hon. member for Halifax objected to any authority being given to plan and execute the work that may be subsidiary to this development. I am not particular whether they are carried forward under some government authority or by a department of the government. I certainly think an authority set up by the government would probably do a more efficient job—at least it would be freer from political patronage—than if the project were carried on directly by a department of government. But I do not think we should proceed with this waterway without giving some thought to the planning of the results that are to follow.

Mr. Chevrier: If the hon. member will wait until the bill is tabled in the house he will get the answer to that question.

Mr. Noseworthy: In conjunction with what others have said I simply want to say a word or two on the question of the development of the great ore bodies in Newfoundland and Quebec. To me it just does not seem right that we should have vast ore bodies in that part of Canada; that Canadians should be engaged to dig that ore, and that Canada

should get no other direct benefit from it other than the few dollars we get from digging and transporting it. The minister's arguments for building the seaway would be much more effective if applied to the United States than to Canada. The best of his arguments are that the United States should be building this waterway and not Canada. If Canada is to build this waterway, and if the primary object is to carry the extra tonnage of ore which will result from the mining, then surely some thought should be given to processing that ore in Canada instead of shipping all our raw material 1,500 miles up the waterway to the United States and processing it, and then bringing the processed material back to Canadian mills. That does not seem to be good business even for private enterprise. I certainly would not expect a Liberal government, or a Conservative government either, to undertake this as a government project; but I would expect a Liberal government to be sufficiently interested in the economy of Canada to see that at least whatever private enterprise did process that iron ore was controlled in Canada, and that the iron ore was processed in Canada to the greatest possible extent.

I just received a copy of a speech made by Mr. Crombie, president of the Canadian Manufacturers Association. It is not very often that I quote the Canadian Manufacturers Association, but for once I am in entire agreement with them. He tells us that:

> It is expected that during the next five years over two and one-half billion dollars will be spent on the development of our resources.

He goes on to say:

> By 1955 we expect to be producing 250,000 barrels of petroleum per day instead of 80,000 . . . 600,000 tons of aluminum a year instead of 400,000 . . . 19 million tons of iron ore instead of 3,600,000 . . . and 4,400,000 tons of primary steel instead of 3,700,000 tons.

According to Mr. Crombie we are going to produce 19 million tons of iron ore instead of 3 million tons, but we are going to produce only 4 million tons of primary steel instead of 3,700,000 tons at the present time. He complains of the fact that Canada is exporting most of its raw materials to other countries instead of processing those materials in Canada. Since he is a manufacturer, of course, and interested in manufacturing, I can understand his point of view. But I agree with it. I think we all agree that Canadians should not continue indefinitely to be diggers of canals and carriers of iron ore for the United States or any other country. Canadians should use these natural resources for the development and the benefit of Canada. He goes on to say:

> According to the latest available figures, more than half of our farm products are exported as raw materials and more than half of our forest products are exported either as raw materials or in a partly manufactured state. It is obviously better for the national economy to export flour rather than wheat, shoes rather than hides, and paper rather than pulpwood. Why should we export wood pulp and import artificial silk?
>
> The more we process our raw materials in Canada, the more we buy Canadian-grown fruits and vegetables, both fresh and processed, the more we buy Canadian magazines, the more we patronize Canadian authors and artists, the more we employ the services of Canadian engineers and contractors, the more employment will be provided in Canada, the more stable and healthy our economy will be, and the higher the standard of living all Canadians will enjoy.

It is with that thought in mind, Mr. Chairman, that I would say the Canadian people are becoming sick and tired of this policy which the government seems to be following, namely that all Canada can do is produce raw materials for export to other countries in order that they may be processed there. I had hoped, as did the hon. member for St. John's West, that when this great discovery was made in Labrador some great benefits would accrue to that part of the country and to Newfoundland, and not just the opportunity to go in there and dig ore for a few dollars a day. Knowing the power resources of the region, knowing there is coal and limestone in the adjacent province of Nova Scotia, I had thought that probably even private enterprise—I did not expect either the government that was then in Newfoundland or the government in Canada would have been farsighted enough to develop that as a publicly owned project for the benefit of the people—would be farsighted enough to see that an industry could be established there where the raw materials are in such close proximity. Instead of that we give foreign capital control of 20,000 square miles of mineral rights. We build 350 miles of railway; we dig a canal up through 110 miles of the international part of the river, and we do it all so that the Americans can get Canadian ore for their plants in the United States, while we Canadians are satisfied with the few crumbs that fall from their table, crumbs in the way of a few dollars for digging the ore and a few dollars for floating it up to the United States mills. I submit that before this project is completed, and while it is still under review, the government should give some consideration to seeing that steps are taken to provide for the people of Canada the greatest possible social benefits that could accrue from an undertaking of this kind.

Mr. Blackmore: Mr. Chairman, the other night I said I would support this project. In order to have the record straight let me

quote my words, as they are recorded at page 1590 of *Hansard*. I said:

> Whatever is done we must keep in mind the maritime provinces. We must remember that those provinces should be given the opportunity of growing into the great and happy areas the Creator intended they should be, and that they should not be trailing in the wake of federal policy in this nation, greatly to their disadvantage, as has been their unhappy experience in the past.
>
> This project is one of the most serious, from the standpoint of the maritime provinces.

And again:

> We have not had the opportunity to study the project deeply enough to see all the possible pitfalls, but in a general way it would appear to be a good thing for Canada.

And again:

> Ultimately what is good for Ontario and Quebec is going to be good for the rest of Canada, if Ontario and Quebec use the common sense they ought to use.

And I closed with these words:

> I repeat that Alberta and the Social Credit movement will support this great project.

The context of my remarks makes it completely clear that our support of this project will be contingent upon the establishment of the fact that the project is not going to injure any province in Canada; in fact, that all the provinces of Canada shall be benefited. Up to the present time I must say I have not been very much impressed as a result of all that has come out in the debate. I was moved last night by the remarks of the hon. member for Cape Breton South. I have a high regard for the hon. member. I believe this house is deeply indebted to him and, while perhaps it is not in good taste to make comparisons, I doubt that his province ever sent to the House of Commons a man who reflected more credit on it than this man has done. He said, as reported at page 1675 of *Hansard*:

> Instead of hurting my case all he has done is confirm what I suspected right along, that there is no intention to look after maritime needs.

A question may be raised as to whether or not that is correct, but I believe the hon. member was justified in his statement. I should like to add to what I said in my closing remarks the other night a further expression which, I suggest, is clearly indicated by the context but which was not stated in so many words. I express this as the attitude of the Social Credit group: "I repeat that Alberta and the Social Credit movement will support this great St. Lawrence seaway project, provided it is established that it means a benefit to each of the provinces."

The question may be raised as to whether we are entirely in order in discussing that matter in this debate. Our maritime friends have expressed themselves effectively and convincingly time and again in the debate thus far. I believe that in so doing they were completely in order, and that we would be in order to go forward to an even greater extent with a general discussion as to what impact this development is going to have on the maritime provinces. I am the more convinced that it would be in order by reason of the fact that the minister himself, as reported at page 1579 of *Hansard*, used these words:

> I have mentioned already Newfoundland's interest in the Labrador development. Beyond this, the four maritime provinces would get a new and low cost transportation route to the heart of the continent. They complain now with some justice that there is no effective water competition to keep down the rail rates. Well this is it. There can be no doubt but that it would bring new opportunities to explore in pulpwood, wood pulp, paper, lumber, specialty agricultural products, minerals and other products.
>
> Mr. Gillis: Say that a little louder.
>
> Mr. Chevrier: My hon. friend interjects, but I well remember the essence of the debates on the freight rate legislation both in the house and in the committee. It was said that the maritime provinces required a greater opportunity to move their commodities into the markets of central Canada. This will provide a cheaper route than the one which already exists, and I am sure, knowing the maritimers as I do, that with the initiative they possess they will make use of these many advantages.

I was considerably impressed by the minister's statement at that time. I thought he did it beautifully, and that he had behind his statement a good number of substantial arguments. But I must say I was somewhat disturbed last night when the hon. member for Cape Breton South so completely exploded the minister's argument in that respect, by pointing out that by giving an opportunity to Nova Scotia to ship coal at a cheaper rate we were, at the same time, giving the United States a water route by which they could ship coal more cheaply from the American coal fields down to Montreal, in irresistible competition with the maritime provinces. This is just exactly the kind of pitfall in this whole measure that I feared.

I doubt very much whether the House of Commons has given this matter anything like as much study as it should be given before we put our seal of approval upon it. I say that, after having stated the other night that we favour the project and after having given the reasons. But after all, when I was a little boy my mother used to impress upon my mind a story that appeared in the Ontario school reader. This was the story of the little boy who paid too much for his whistle. Canada can pay too much for this big whistle, if the cost is sufficiently serious. I am very much afraid we are going to give

too much for this whistle, if we fail to make adequate provision for the safeguarding of the interests of the maritime provinces.

Mr. Ferguson: This would not be the first time men have taken too much to wet their whistles. It is about the same kind of thing.

Mr. Blackmore: I can understand why the hon. member would use that expression. I would have hesitated to use it, but coming from him I can understand it. I am not implying that he ever wets his whistle, but I am suggesting that probably he knows more about men than I do.

Mr. Ferguson: There is nothing like good experience.

Mr. Blackmore: I think we ought to ask ourselves why it is that the maritime provinces have suffered, as they have suffered, since entering confederation. The minister closed with these words:

> This will provide a cheaper rate than the one which already exists, and I am sure, knowing the maritimers as I do, that with the initiative they possess they will make use of these many advantages.

That is just one of many advantages he spoke of, but the hon. member for Cape Breton South shot that one so completely full of holes that you would think a liner had been torpedoed; and still the minister has not made any effort to stop the holes. The minister compared the 1939 production of coal with the 1950 production and thereby endeavoured to create the impression that the maritimes were increasing their consumption of coal to such an extent that probably they would no longer have any substantial surplus to export. The hon. member for Cape Breton South showed how completely fallacious that argument was. If there are many arguments of that kind in the minister's reasoning then I think we shall have to scrutinize this whole matter with exceptional care.

Why have the maritimes had so many difficulties to face through the years? It is necessary to examine this matter in order to be able to say what the minister and the government will have to do in order to enable the maritimes to take advantage of this and all the other opportunities the minister has referred to. What happened to the maritimes when they came into confederation? In the first place, they were forced to buy goods, which they formerly had bought abroad, at a higher price by reason of the tariffs imposed by Ottawa. This made for an increased cost of production of all the maritime products into the making of which goods from abroad had entered, and thereby destroyed the competitive ability of the maritimes to sell their goods. That is No. 1. All the superficial advantages that you give to the maritimes which make no allowance for what has happened to the maritimes' economy will be just froth on water.

What was the next thing that happened to the maritimes? They were forced to buy most of their manufactured goods from Ontario and Quebec. They were faced with a long freight haul of one thousand miles on those goods, and with a similar haul for the raw products which they desired to sell in Ontario and Quebec. Unless measures are taken to cancel the evil effects of that disadvantage, then once more any superficial advantage to the maritimes will be of no value.

Those two points are of major economic importance. They are just plain common sense that any fourteen-year-old boy would be able to see. As I go over the tragic story of the maritimes I find that in the relatively long history of this parliament no attempt has been made to compensate them for the disabilities they suffered by reason of those two obvious economic disadvantages.

What was the third disadvantage they had? Before they entered confederation they had their own banks and their own banking policy. As a result they were able to control credit within their own provinces. Very soon after entering into confederation their banks began to have their policies influenced by federal legislation having to do with interest rates and items of that sort. They began to operate under the federal Bank Act. All too soon the banks in Ontario and Quebec began to acquire a controlling interest in the banks of the maritimes. They were thus able to influence credit policy in the maritimes. Imagine a situation where a bank in Toronto has on its board a number of men who have interests in certain manufacturing plants in Ontario. This bank is able to influence the credit policy of a bank in Nova Scotia; and when a company manufacturing products similar to those manufactured in Ontario comes to that bank—

Mr. Pouliot: Would my hon. friend be kind enough to tell us what connection this has with a prospective seaway?

Mr. Blackmore: I shall be delighted to do that. The minister indicated in his statement, which I read, that it is proposed to remedy the situation in the maritime provinces, to give them a sort of new heaven and new earth. I am merely pointing out the things which this federal government will have to do if it is to remedy the economic disabilities from which the maritimes have suffered ever since entering into confederation.

Mr. Pouliot: The hon. member will admit that there is a difference between a canal and a bank skyscraper?

Mr. Blackmore: The hon. member recognizes that the hon. member for Temiscouata is asking a nonsensical question. That is quite obvious. This bank in Toronto would be able to influence the bank in Halifax and prevent that company in Nova Scotia getting the line of credit which it needed. I can cite evidence from the New Brunswick submission to the Rowell commission showing that that sort of thing actually did happen, that certain companies were pinched out of existence by the refusal of credit by a bank which was manipulated from Toronto.

Mr. Dickey: Does the hon. member mean that last remark to apply to a particular bank, or is he just referring to banks in general?

Mr. Blackmore: I did not refer to any particular bank; I spoke generally. I can produce the submission by New Brunswick to the Rowell-Sirois commission, as I have it right here on my desk. However, I do not think it is needed. My general statement was that one of the things which had injured the maritimes was the fact that credit control was no longer in the hands of the maritime provinces, that it was exercised from Toronto and Montreal.

Mr. Pouliot: To what bank does my hon. friend refer?

Mr. Blackmore: Is it necessary to refer to any bank? I think the hon. member will agree that that is a thorough possibility.

Mr. Dickey: Oh, oh.

Mr. Blackmore: Do not talk nonsense. The maritime provinces have suffered enough misery without having one of the members from that province imply defence of the outrageous things which have been done.

Mr. Pouliot: I should like to refer to a great banker who is dead, although there are many others alive in the same category. I would call my hon. friend's attention to Mr. Morris Wilson, the president of the Royal Bank of Canada, who was a maritimer. Also Mr. Burns, former president and now chairman of the board of the Bank of Nova Scotia, who came from Nova Scotia. Also Hon. W. D. Ross, former lieutenant governor of Ontario, who was born I believe in New Glasgow, Nova Scotia. If you would give me a list of the directors of the banks I could mention many others. There is Mr. Dobson, president of the Royal Bank, who replaced another maritimer. I am sure there is no end to the list.

Mr. Brooks: You could go on for hours naming them.

Mr. Pouliot: I could go on for hours for the edification of my hon. friend. Why did he not check the list of directors of the banks before making such a statement? All members know it. He must know it and he should give credit to the genius of the maritimers in the field of business. I do not want to interrupt him any longer, but I wanted to make that correction.

The Deputy Chairman: Are we not getting too far from the main question?

An hon. Member: No, it is good.

The Deputy Chairman: I followed the hon. member very closely. I know how he prefaced his remarks and how he has developed them to this point. He will remember that a while ago, because the hon. member for Vancouver-Quadra (Mr. Green) made a passing reference to the development of iron ore in British Columbia, a point of order was raised; and I think it was generally admitted that we must discuss the question now before us.

Mr. Green: I was ruled in order.

The Deputy Chairman: These other matters must be referred to only incidentally, as passing references. The hon. member said we must find out why the maritimes have been injured since confederation and how they arrived at the situation in which they find themselves. When he began I thought he was going to give a brief sketch of the history of that period, but I did not think he was going to carry on and make his main speech on that point. What we have before us now is the question of the St. Lawrence deep waterway. If the hon. member feels that it would injure the maritimes, like other hon. members he may develop that to a certain extent but he should not make his main speech on the difficulties of maritime provinces since confederation. I would ask the hon. member to co-operate with the Chair and hon. members generally. After all, if one hon. member was called to order before, for the same reasons, I think it is only fair that the same rule should apply to everyone.

Mr. Blackmore: Mr. Chairman, I appreciate your kindly and thoughtful comments but the whole situation is this. First of all may I give a little attention to the hon. member for Temiscouata. I do not blame him for trying to drag a red herring across the trail, but I have been around in the world too much to be fooled by red herrings.

Mr. Pouliot: What about Grant Macintyre, the former assistant general manager of the Bank of Nova Scotia. He is a regular reader of *Hansard*, and he will be shocked.

Mr. Blackmore: The hon. member's comment is entirely irrelevant to what I was saying. In the closing words of the passage I quoted the minister said:

. . . knowing the maritimers as I do—

The Deputy Chairman: Order. The hon. member read that a moment ago. That is exactly how he started and how he justifies the long argument he is now making about the situation in the maritimes. I heard the statement made by the Minister of Transport, and I would tell the hon. member that he does not have to argue with me as to whether or not what he is saying now is in order. It is my opinion it is not quite in order. I am only asking him to be brief. If he devotes his forty minute speech to the history of the maritimes I think he will not have any time left to discuss the question before us. I should like to remind him that is what he rose to discuss, and I would ask him to co-operate. I know he is usually very agreeable in doing so, and I ask him again to co-operate.

Mr. Blackmore: I would have been all finished long ago if the hon. member for Temiscouata had not needed so much enlightenment. The point I was making was that it will be utterly impossible for the maritimes, in spite of all the "initiative" they can possibly exercise, to make a success of their affairs if they are burdened by restrictions and conditions which render success utterly impossible. That is exactly the position in which they find themselves. I mentioned the matter of credit policy as being one of the restrictions which have so impeded them that success in the long run is utterly beyond their reach or the reach of anyone else, no matter who he is or where he is. Therefore if we are going to make it possible for these people to have a chance of success we must remove these difficulties. I think I am in order, as far as I can make out. If I am not, there are plenty of other things I can talk about that will be less palatable than what I am talking about now, and I can turn to them.

The fourth cause of the difficulties of the maritimes was transportation. I do not think I need to go into detail with respect to that. The maritimers were put under a burden of transportation costs, from which they had suffered even before confederation, that tended to make it impossible for the finest initiative to make a success in the long run.

May I come back now to the discussion of the St. Lawrence seaway project. All the things to which I have referred have a distinct bearing. According to what the minister said, the project has a chance of doing good for the maritimers in that it will give them cheaper freight rates to central Canada. The hon. member for Cape Breton South (Mr. Gillis) has proved that argument is completely specious, fallacious and meaningless, because the main commodity the maritimes wish to export to Ontario is coal. If in supplying the maritimers with a water route from the maritimes to central Canada, to Toronto, for example, United States competitors are provided with an equally inexpensive route to Montreal, surely there is no possible advantage to the maritimes. There is only disadvantage, and until the minister shows by plenty of statistics and sound reasoning that there is any advantage to the maritimes I am safe in assuming the hon. member for Cape Breton South was right when he said there was no advantage at all. Similarly any other apparent advantage would be nullified by the four basic economic disabilities I have just outlined. He indicated that there is injury to the maritimes. I see no other possible conclusion than that there is going to be injury to the maritime provinces. I believe my remarks have established pretty well the position that Social Crediters will have to take unless that difficulty is cleared away. We favour the whistle, but we certainly do not favour paying too much for it in terms of Canadian well-being. If the maritime provinces are going to be injured in any degree beyond what they have suffered since 1867, then Canada is paying too much for the whistle no matter how valuable it is. I hope I have put myself in the clear so far as the chairman is concerned.

I wish to draw one conclusion before leaving this aspect of the question. The time has got to come when the Dominion of Canada as a whole, and particularly Ontario and Quebec, must take in hand the problem of the maritimes. They have got to extend a helping hand to the maritimes to bring them out of difficulties from which no amount of effort on their part can possibly enable them to extricate themselves. There will be those from the maritimes who will want to get up and make a starched front apology for that region and all that is going on there. I have on my desk reports of commission after commission, the Duncan commission, the Norman Rogers commission and others I can quote, so it would be just as well for these members not to try to make it appear that things are fairly good for the maritimes. Conditions there are certainly not fairly good.

When the time comes for this government to take in hand the matter of providing for the improvement of conditions in the maritimes, they must take into consideration those four factors which I mentioned. If

they do not do so, then all they will be doing will be providing the maritimes with a little bit of relief to keep them alive instead of giving them the nourishing food which they need in order that they may grow into a strong, virile, vigorous part of the Dominion of Canada. In this St. Lawrence seaway project there is no evidence that any such thing is even remotely in the mind of the department which planned the project or that of the government which stood behind the department. Consequently, to try to pretend that this seaway project is going to be of any real economic value whatsoever to the maritimes is simply to be farcical.

I think probably I have said just about enough on that aspect of the whole question. I just want now to say this. The time has come when something ought to be done about this maritime problem. We have had the submissions of commission after commission. I have here submissions from the probably finest authorities in eastern Canada, time after time, showing how long these people have suffered and how earnestly they have pleaded for some consideration; but nothing has been done for them. We now have to decide whether the maritimes are going to become a great and thriving portion of Canada, able to contribute the amount of well-being to Canadians that their resources and the nature of their people enable them to contribute, or whether we are going to pinch them more and more and smother them to the extent that they just simply cannot possibly do their part.

If the minister is prepared to answer the questions asked of him by the hon. member for Vancouver-Quadra, I will take my seat while he does so. The minister says he would much rather answer those questions when the bill comes in. Let me tell the minister something he certainly must know. Just the minute we get on that bill we will be held strictly to order, under the rule of relevancy, on every single clause and phrase; and as a result it will be impossible to discuss this whole problem successfully at all. That is exactly the way it always is when we get into the bill. If the members of this committee want to have an effective discussion and want to find out the facts concerning this whole measure, the place to find out those facts is when the resolution is in the committee stage, as it is now. I am therefore asking the minister to answer right now the questions asked by the hon. member for Vancouver-Quadra. I am not satisfied to have them answered when the bill is before the house.

Mr. Green: Is the minister going to answer my question?

Mr. Chevrier: No. I have no intention of making any reply at this stage.

The Deputy Chairman: Shall the resolution carry?

Mr. Blackmore: Not by any means. The minister in charge of the resolution has flouted a responsible member of this house. He has refused to answer a perfectly reasonable and relevant question.

The Deputy Chairman: Order. Perhaps I should have risen before and given my opinion as to the various conditions, one might call them, which have been put by hon. members, in certain cases, on their approval of this resolution. The hon. member who has just taken his seat began his remarks by saying that the Social Credit party was supporting this resolution contingent upon the government declaring its policy as to the development of iron ore or the establishment of a steel industry in Canada or something like that. I hope I am not quoting the hon. member's words wrongly. Other members as well have declared themselves in favour of it, but have spent much more time than is generally the practice in discussing problems which, admittedly, are germane to the question before the committee. Discussion of those problems, however, has occupied more of the time of the committee than has discussion of the resolution which I now have before me.

I am just wondering whether we should continue discussing those problems. On the government side hon. members have said they are not admitting that this resolution and the project that will emerge therefrom will create the injury which is seen by members on the other side. The matter that has been discussed is relevant, but at this time should we not focus the discussion merely on this one point? It has been said: Let us not have any more discussion on the deep waterway but let us have from the minister a statement of policy on iron ore, or on protecting the maritimes as far as the effects of this project are concerned. I understand that this is a difficult question, and I should like hon. members to think over what I have just said. What we have before us is this:

> That it is expedient, for the purpose of providing a deep waterway between Montreal and lake Erie, to create a corporation to be called "The St. Lawrence Seaway Authority" with power, *inter alia*, to expropriate; to construct, maintain and operate all necessary works; to borrow amounts not exceeding three hundred million dollars; to establish tariffs of tolls and to employ such officers and employees as may be required for the purposes of the authority.

That is all I have before me. As was said, latitude is given. In replying to some of the arguments brought forward by some hon.

members the minister had to go into the whole iron ore and steel question, and into other germane questions. I think the debate was wide in its scope, and I think hon. members have had ample opportunity to express their views. But at this point, when the general discussion seems to be almost concluded, I should like hon. members to think over whether they should delay the passing of this resolution merely because they would like to have from the government a statement of policy on a matter which to me is not quite covered by the resolution we have before us.

Mr. Blackmore: The minister should have answered that question. When a resolution is in the committee stage it is the duty of the minister to answer questions that are asked him. That is the only opportunity members have of probing into the whole problem.

Mr. Chevrier: My understanding is that the resolution is debated for the purpose of going into the general subject matter of the resolution. As it now stands, I have made one general statement which took over forty minutes. Then at the request of the hon. member for Vancouver-Quadra I made a second statement, which took forty minutes, in reply to the hon. member for Cape Breton South and some others. It is now suggested that I make another reply, the object of which will be to reply to my speech, and we will go on and on interminably. I may be mistaken, Mr. Chairman, but I do not think that is the object of the discussion on the resolution. When we get into the discussion on the bill, where we have the terms of the bill and where many of the questions which have been raised here will be answered, I think that will be the place to discuss the matters that have been taken up here.

My hon. friend says there are questions that were asked and that we will not have an opportunity of getting a reply to them because we will be held strictly to the section under consideration. But that is not the position when we get to second reading. As my hon. friend knows, when we get to second reading there is a general discussion on the first section. I will then take the opportunity to reply to the questions that were asked of me by the hon. member for Vancouver-Quadra and the other questions that remain unanswered; then I will try to answer them to the best of my ability.

Mr. Blackmore: When we get to the second reading stage of the bill it will not be within the rules for the minister to answer questions the members ask. We are undertaking here and now to commit this nation to an expenditure that can well amount to $600 million. Surely the members of this house have a responsibility to the public which they cannot escape, to go into every aspect of this proposition in order to determine whether or not it is expedient. How can I tell whether or not it is expedient to spend all that money on that project unless I can get my question answered? That is the point I believe the minister has to explain away.

If the minister does not see fit to answer that question, I have several more. One of the main arguments advanced for the speedy construction of this project is that it is essential to Canada's defence. Will the minister tell the house some respects in which it is essential to Canada's defence position? Surely that is a reasonable question.

Mr. Chevrier: I replied to that question last night when I put on *Hansard* the statement made by the permanent joint board on defence. This board has examined the project carefully and gave four reasons why it was urgent for defence.

Mr. Blackmore: Those were merely general conclusions. The board did not go into details. It appears to me as though the house ought to have some details concerning this matter. It may be argued that this is a matter of defence, and consequently should not be aired on the floor of the house. I ask this question. How in the world can hon. members of this house form any accurate estimate of any proposition if they are unable to obtain details concerning that proposition? It certainly looks to me as though the minister should give more details than have been given to justify the statement that this project is essential to Canada's defence.

As I recall it, and the minister will correct me if I am wrong because I have not had an opportunity of reading his final remarks, we were told that we would be building ships in that secluded and invulnerable area of the great lakes. Do I recall correctly, that we would be building ships up there in time of war? This is how the whole thing looks to a person who stands on his own two feet and tries to do his own thinking, just as his mother and father told him to do when he was sixteen years old. War might come within a year or two, and we cannot possibly get this project completed within five years. After we finish the project, how many years would it take us to establish slips which would enable us to build ships with any success comparable with that of the Clyde shipyards? It would take a long time to do that. Surely if an enemy got sufficient control in Britain to destroy those slips completely we would be in a bad way, even if we had that secluded area in which to build

ships. This is the way it works out to the ordinary person. I am not satisfied with the arguments that this constitutes an invulnerable area in which to build ships.

One more thing which comes to my mind is that I am convinced from the arguments of the maritime provinces that if we spent the money we propose to spend on this project to develop power in the maritime provinces and establish strongholds there, with our tremendous air power, naval power and our control over radar and other modern means of war we certainly could make any area in the St. Lawrence valley invulnerable. Instead of having a lot of enemy submarines prowling around the Gaspe peninsula as we had in world war II, we would have them safely shut out in the Atlantic. That is the common sense way of looking at it. I have to rely on the experts and the minister to answer a lot of questions concerning this matter. Those are questions my people will ask me when I go home. Can the minister go into some detail with respect to that?

Mr. Chevrier: I do not propose to go into any further detail than I have. At this stage I do not think I should. I believe the matter of defence measures and defence urgency, in so far as the seaway is concerned, might well be considered when we are in committee of a whole on the bill.

Mr. Blackmore: I do not find myself impressed at all with the minister's attitude in this respect. I am sure the ordinary young man and woman in Canada listening to this debate would consider the minister's reply rather flat after the splendid display of oratory he gave us in connection with the railroads and other problems. It is quite a lot short of what we believe the minister is capable of. I should like to ask the minister this question. If it be so vital in the interests of defence that this seaway be constructed so we can deliver iron ore to United States factories to be processed into steel, why is the United States not manifesting more concern about the building of this project? Why should we take the initiative? Has it not got around to the authorities in the United States that they need ore and steel? Cannot the congressmen be impressed with the need?

Mr. Chevrier: The United States have manifested great concern over it. The position of the President of the United States is indicative of that, when he states that he is willing, if the congress does not act within a reasonable time, to consent to the development of this project in conjunction with us, both as to power and navigation.

In so far as the first part of my hon. friend's question is concerned, if he will only wait until the bill comes before the house he will find the seaway project is self-liquidating. He is going on the assumption that the taxpayer is going to be faced with a tremendous expenditure. In the original statement I made I indicated that it is intended to liquidate the whole project by the imposition of tolls. Not only that, but it is also indicated that those of the present canals which will be taken over will be operated and maintained by the authority, thereby cutting the expenditures on Canadian canals to a substantial extent.

Mr. Blackmore: I am not much concerned about the cost of this thing if the need—

Mr. Fournier (Hull): On a point of order, Mr. Chairman, may I call your attention to citation 293 in Beauchesne, paragraph (i):

> (i) use his right of speech for the purpose of obstructing the business of the house;

A moment ago, Mr. Chairman, you told the hon. member that he had repeated the same arguments and re-read and quoted the same parts of speeches on questions that may be germane to this resolution; but at the same time you called his attention to the terms of the resolution. For the last hour the hon. member has been obstructing the business of the house—and I call as my witnesses everybody sitting in this house—even when the minister tried his best to answer the questions that were put to him. I would like to see him kept in order, to see if we can have this debate concluded after two days.

Mr. Blackmore: The minister has been specializing now for the past two years in this kind of obstruction against me. I say if we let him get away with it we will abrogate most of the privileges of the members of this house.

Mr. Fournier (Hull): The hon. member is still out of order in imputing motives to me. An hon. member cannot impute motives to another hon. member, and I had no such motive. I try to lead the house to the best of my ability. When I see the hon. gentleman doing something I think he should not do I tell the chairman that he should be called to order.

Mr. Knowles: Mr. Chairman, I wonder whether I might get into this for a moment, and without resorting to the rule book either.

Mr. Pouliot: Peacemaker.

Mr. Knowles: The hon. member for Temiscouata has taken the word right out of my mouth. I would like to play the role of peacemaker for a moment or two, if I may. The hon. member for Lethbridge knows that no member of this house, and certainly no one from the opposition side of the house,

rises to his feet more often in defence of the rights of the members of the opposition than I do. In fact I have a copy of Beauchesne open on my desk, and I could read a citation in defence of the right of the hon. member for Lethbridge, in committee on the resolution, to seek to get all the information he wants before the bill is brought in. I do not think there is any question about that, and I assert it as strongly as I can. However, I could not help but notice, despite the fact that there are some remarks being made back and forth which are a little sharp, that a few moments ago the Minister of Transport did offer to have a discussion on all aspects of this matter when we get into committee of the whole on the bill, after second reading. He specifically said we could do that on clause 1. The hon. member for Vancouver-Quadra knows that we sometimes have an argument as to what our rights are on clause 1 of a bill. But the Minister of Transport has given what I think should be accepted by the hon. member for Lethbridge as an undertaking that whatever the argument may be sometimes, on this occasion we will have the right, when we get into committee of the whole on the bill on clause 1, to take up and get the answers, if we can, to the questions the hon. member for Lethbridge is asking here.

As I said before, it is well known that I like to see things threshed out in full. I certainly want to see members of the opposition have their full rights, but we had a discussion on this resolution on Tuesday from five o'clock until ten o'clock of that day. We had it all day yesterday and we have had it thus far today. I think it would serve the purpose of the hon. member for Lethbridge, as well as the purpose of the rest of us, if this resolution could get through today and we could see the bill. As a peacemaker I suggest that we let the hon. member for Lethbridge get what information he can between now and 6:15 o'clock, but I would hope that by that time he would be willing to let the resolution go through and the bill come in on the basis of the undertaking given by the Minister of Transport.

Mr. Macdonnell (Greenwood): What does the other peacemaker say?

Mr. Pouliot: I agree.

The Deputy Chairman: Has the hon. member for Lethbridge any comments to make on the suggestion made by the hon. member for Winnipeg North Centre?

Mr. Blackmore: Mr. Chairman, there is not a doubt in the world that the position taken by the hon. member for Winnipeg North Centre is the correct one. If we allow the Minister of Public Works to establish the principle that was implicit in what he said he would abrogate 90 per cent of the effectiveness of the members of the opposition in the house. There is just no answer to that statement.

The Deputy Chairman: The point that now seems to be rather important is the one made by the hon. member for Winnipeg North Centre.

Mr. Blackmore: I am sorry, I cannot hear you.

The Deputy Chairman: The hon. member for Winnipeg North Centre understood that the Minister of Transport gave an undertaking that on clause 1 of the bill there would be a general discussion, as has been the practice, and intimated that the hon. member for Lethbridge might be satisfied with that undertaking. He then went on to say that we could let the hon. member for Lethbridge get whatever information he could between now and 6.15, and then carry this resolution. I want to know whether that is agreeable to the hon. member.

Mr. Blackmore: Mr. Chairman, this is a rather new thing to me. In the first place, I think the Minister of Public Works made a personal reflection on me for which he had no justification.

The Deputy Chairman: Order. Perhaps that point may be cleared up immediately after. What I would like to obtain, if possible, is the impression of the hon. member of the suggestion made by the hon. member for Winnipeg North Centre.

Mr. Blackmore: I am not prepared to announce that until the Minister of Public Works rises in his place and makes a statement that he is not going to say that kind of thing any more.

Mr. Fournier (Hull): Really, Mr. Chairman, if the hon. gentleman insists and lets this resolution pass I can make a good many promises to him.

Mr. Nowlan: On the point of order—

The Deputy Chairman: We have a point of order before us; we cannot have two at the same time.

Mr. Nowlan: On the point of order, is the minister not himself out of order in saying someone is obstructing? If you refer to Beauchesne, citation 299, you will find that is one of the expressions which is objectionable and must be withdrawn at any time. More than that, Mr. Chairman, I certainly

would say that anyone was always out of order who tried to prevent any debate on the maritime provinces.

The Deputy Chairman: Perhaps I might as well comment on the point of order which was raised by the Minister of Public Works. He cited citation 293, paragraph 1, of Beauchesne. I know that the hon. member for Lethbridge has been insistent, and his insistence might have been construed by other hon. members as being repetitious. Sometimes one does not follow the trend of the questions that are being asked, and it is difficult to perceive whether they are the type of repetition which would justify the application of citation 293 to say that it is obstruction of debate. In his later remarks I think the Minister of Public Works has agreed that, provided the intentions of the hon. member for Lethbridge are good—and he says they are—his point of order will not be taken. On the other hand I think the hon. member for Lethbridge, realizing that the Minister of Public Works has good intentions as well, as he said, will not take umbrage at the remarks made by the Minister of Public Works, and that we can carry on in the few minutes at our disposal and perhaps accept the suggestion of the hon. member for Winnipeg North Centre which apparently has some merit.

Mr. Blackmore: Mr. Chairman, I ask the Minister of Public Works to withdraw the remarks he made.

Mr. Fournier (Hull): I will withdraw, if it pleases the hon. gentleman.

Mr. Blackmore: I want to make this statement. I have never yet obstructed in this house. There are others in this house who perhaps—

The Deputy Chairman: Order. The Minister of Public Works has withdrawn. If he has, the hon. member has no more to say. Shall the resolution carry?

Resolution reported, read the second time and concurred in.

Mr. Chevrier thereupon moved for leave to introduce Bill No. 33, to establish the St. Lawrence seaway authority.

Motion agreed to and bill read the first time.

ST. LAWRENCE POWER DEVELOPMENT

AGREEMENT BETWEEN FEDERAL AND ONTARIO GOVERNMENTS

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to approve an agreement between the government of Canada and the government of the province of Ontario respecting power development in the international rapids section of the St. Lawrence river; and to provide further for the transfer to the government of Ontario of the administration of certain lands or property pursuant to the agreement.

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

Mr. Blackmore: Mr. Speaker, I object to this.

Hon. Alphonse Fournier (Minister of Public Works): If my hon. friend will permit me, on Monday I met the leader of the hon. member's party and the leaders of the other parties, at which time it was agreed that the discussion on the first resolution would apply to the second resolution. Yesterday during the debate I did not bring this matter up, except at the adjournment.

I now feel somewhat ill at ease, because after having these interviews with the leaders it was agreed that this resolution would go through and that the bill would be tabled immediately, so that hon. members would have it. I am appealing to the hon. member to see if we can keep this agreement.

Mr. Blackmore: The information had not been conveyed to me that this arrangement was made by the leader of this group. Since it was made, I am bound by it. Otherwise I would oppose this thing for days, because I believe we are making a very serious mistake in passing these important measures through too fast.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

The Deputy Chairman: Shall the resolution carry?

Mr. Gillis: I think some explanation is necessary from the minister. This resolution is completely different from the one just passed, in that it involves an agreement between the province of Ontario and the federal government as to the method of financing. Lands are to be handed over on a reciprocal basis, and so on. I would like the minister to tell us how the financial details are to be worked out as between the province and the dominion.

Mr. Chevrier: Perhaps briefly I might say this: In the first place it was thought unnecessary to introduce a resolution with reference to this agreement at all, by reason of the fact that there is no money passing. Under the terms of the agreement which has already been tabled by the Prime Minister, the province of Ontario is going to establish and produce its share of the 2,200,000 horsepower. But because of the fact that in this agreement there is a clause which provides for the turning over to the province of certain crown lands of the dominion, such as Sheek island,

and other islands in the vicinity of the international rapids section, this was done in order that a point of order might not be raised in case someone thought a constitutional point was involved.

Really both resolutions have been dealt with in the general discussion. I have given the only reason for this resolution. That is why the leader of the house thought he had an understanding that both would be considered together.

Mr. Gillis: That does not answer the question. I have read the agreement. The reason I am asking the question is that, even after reading it, I am still not clear as to the financial responsibility between the dominion and Ontario, and as to the value of the lands. Ontario will be passing some lands to the dominion government and the dominion government will be transferring crown lands to the province. Considerable capital is involved in the transaction, and I do not think the agreement makes it quite clear.

Mr. Chevrier: The agreement certainly makes clear the question of the cost, in so far as the development of power is concerned. In so far as the lands are concerned, those will be determined when the authority in the state of New York and that in the province of Ontario, through the Hydro Electric Power Commission, have completed their negotiations.

Mr. Gillis: The authority we set up under the first resolution will have complete power in working out the details of this power agreement?

Mr. Chevrier: No, we have nothing to do with that. We have complete power with reference to the seaway.

Mr. Gillis: That is why I am asking the questions. Of course right now there is no authority at all, except the agreement on paper between the dominion government and the province of Ontario. Then the state of New York enters into it. Actually there is no supervisory authority so far as the federal government is concerned. Is the province of Ontario going ahead with the state of New York, on its own, so far as development is concerned, without any control at all on the part of the federal government?

Mr. Chevrier: If it is to be an all-Canadian project the answer would be yes. The application would be made by the province of Ontario and the state of New York to a federal body, the international joint commission. But if it is to be a project under the 1941 agreement, then the answer to my hon. friend's question is no.

Resolution reported, read the second time and concurred in.

Mr. Chevrier thereupon moved for leave to introduce Bill No. 34, respecting construction of works for the generation of electrical power in the international rapids section of the St. Lawrence river.

Motion agreed to and bill read the first time.

COMBINES LEGISLATION

JOINT COMMITTEE—SECOND AND FINAL REPORT

Mr. James Sinclair (Coast-Capilano) presented the second and final report of the joint committee of the Senate and the House of Commons on combines legislation.

Mr. Drew: I hope the Minister of Justice will not overlook the suggestion in the report that has just been tabled, that his department is apparently not enforcing the Criminal Code.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Mr. Speaker, on Monday we will resume the debate on the address in reply and, if we are fortunate enough to conclude it, we will take up the resolution concerning the Dominion Elections Act; the bill to provide for the establishment of an agricultural products board; Bill No. 8, to amend the North Fraser Harbour Commissioners Act, and the resolution in the name of the Secretary of State to amend the Civil Service Act.

Motion agreed to, and the house adjourned at 6.20 p.m.

HOUSE OF COMMONS

Monday, December 10, 1951

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRIVILEGE, MR. BRADETTE—SESSIONAL INDEMNITIES

Mr. J. A. Bradette (Cochrane): Mr. Speaker, I rise on a question of personal and parliamentary privilege affecting not only myself but each and every member of the House of Commons, regardless of political affiliation.

I quote from "Ottawa Diary", at it appeared in *The Daily Press*, Timmins, December 5 issue, as follows:

> Harvesting two sessional indemnities totalling $12,000 in the one year, with $4,000 of the total tax free in the case of members of the House of Commons, isn't too bad.

As every member of parliament knows, and as every informed, accurate writer on parliamentary affairs should know, our total indemnity payments this year will be $8,000, not $12,000 as stated, plus an annual tax free expense allowance of $2,000, payable on December 31, not $4,000 as stated.

It is pertinent to point out the obvious fact that quite a portion of our second $4,000 sessional indemnity this year will go at once in higher income taxes. I venture to say that the majority of members of parliament actually would have been further ahead financially had they been able to carry on their regular occupations at home this fall rather than attend this second session, which was made necessary by the pressure of public business to be transacted. Much important, far-reaching legislation has been approved at our second session now drawing to a close.

In my parliamentary experience, going back to 1926, I have noted that the more responsible writers on parliamentary affairs have the courage and the responsibility to write under their own names. It is to be doubly regretted, therefore, that the writer of "Ottawa Diary", which I understand is a syndicated feature appearing in a dozen or more smaller newspapers across the country, writes anonymously.

Members of parliament, of course, are open to criticism, but surely such criticism should be based on truth and fairness.

I recall on one occasion, some years ago, Miss Agnes Macphail, pioneer woman member of parliament, declared that the patriotic, public service rendered by members of parliament would compare favourably with that of any other cross-section group of Canadian citizens. I agreed with Miss Macphail's expressed views at the time and I have neither seen nor heard any reason recently to change my opinion in that regard.

In these difficult days, when it is most desirable that democratic ideals and parliamentary institutions should be upheld and strengthened in every way possible, it is to be greatly deplored that writers, such as "Ottawa Diary", by resorting to anonymity, should disseminate false information and criticism about the high court of parliament and its members.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Matthew MacLean (Cape Breton North and Victoria) presented the first report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

MORNING SITTINGS ON AND AFTER WEDNESDAY, DECEMBER 12

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to move, seconded by the Minister of Trade and Commerce (Mr. Howe), the resolution of which notice appears at page 11 of the order paper, as follows:

> That on and after Wednesday, December 12, 1951, until the end of the session, the house shall meet at 11 o'clock in the morning of each sitting day and that, in addition to the usual intermission at 6.15 o'clock, p.m., there shall be an intermission every day from 1 to 2.30 o'clock, p.m., except on Friday, when the intermission shall be from 1 to 2 o'clock, p.m.; and every Wednesday and Friday until the end of the session the house shall meet from 8 to 10 o'clock, p.m.

I feel that it is the hope of many members of parliament that without unduly rushing anything we might complete the business that is to be dealt with perhaps even this week, and if not this week by early in next week so that hon. members, including those who reside at great distances from Ottawa, may have plenty of time to reach their homes before Christmas day. I hope that this motion will meet with unanimous approval of the house.

Business of the House

Mr. George A. Drew (Leader of the Opposition): I am not prepared to give unanimous approval to a motion of this kind for a particular reason among others. Early in the session there was an indication that after several years of discussion there was going to be a committee on defence expenditures set up at this present session. In spite of the importance of that committee it began to sit only last week and for reasons which I need not discuss but which I do not regard as valid it has held only intermittent meetings.

The committee met again this morning and adjourned until Thursday. I would suggest that if there is any other reason why we should meet in an orderly way and not hasten the proceedings of this house to the point where business cannot be dealt with expeditiously by members who wish to sit on committees as well it is that there should be a report from the committee on defence expenditures before this house rises.

The motion before us is obviously for the purpose of getting work done so that the predictions that have been offered that we might terminate the sittings this week can be fulfilled. I believe that it is immensely important that the time of our sitting remain as it is so that hon. members who attend committees may also have an opportunity to sit in the house. A number of the committees are still sitting and these are all important committees. There is the committee on defence expenditures; there is the committee on radio; there are committees on other matters, and I think hon. members should still attach some importance to public accounts, which committee is still sitting.

There cannot be that attention to the work of these committees and also attention to the business of the house that the nature of the work of the house justifies if this motion is adopted. I urge strongly that it should not be adopted and that we continue to meet at the hours that have been set.

There is another reason. I think members of this house should be given an opportunity to digest the reports in order to be able to present their views thereon. It is perfectly clear at the moment that they will not have the slightest chance to examine these reports and express their opinion if this course is followed. Therefore I oppose the motion and I hope that it will not pass.

Mr. Speaker: Is the house ready to adopt the motion?

Mr. Drew: Is the motion in order?

Mr. Speaker: Yes.

[Mr. St. Laurent.]

Mr. Green: May I ask how this motion can be called when it appears on routine proceedings after the orders of the day?

Mr. Speaker: The hon. member will recall that I made a ruling on that matter last year, and the leader of the opposition (Mr. Drew) will also recall that I made such a ruling. Here is what I said, as reported in *Votes and Proceedings* of Monday, September 4, 1950:

> I may say to the leader of the opposition that last year I considered this same question, and it then seemed to me, as he says, that such a motion should be considered at a later time. But under citation 132 in Beauchesne's second edition I notice the following:
>
> "The motions allowed on routine proceedings are motions relating to the business of the house and for the discussion of reports from committees."
>
> This motion definitely relates to the business of the house and should therefore be considered at this time. I think the misunderstanding arises from the fact that such motions generally appear under "government notices of motions." Actually, however, they are not "government notices of motions" in the usual sense.
>
> In view of the citation which I have mentioned in Beauchesne's second edition and of the practice which has been established, I think the motion should be considered now.

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

YEAS

Messrs:

Abbott	Fulford
Anderson	Gagnon
Applewhaite	Gardiner
Argue	Garland
Ashbourne	Garson
Balcom	Gauthier (Lake St. John)
Bater	Gauthier (Portneuf)
Benidickson	Gauthier (Sudbury)
Bertrand	George
Blackmore	Gibson
Blanchette	Gillis
Blue	Goode
Boisvert	Gour (Russell)
Boucher	Gregg
Bradette	Hansell
Brisson	Harris (Grey-Bruce)
Bruneau	Harrison
Bryce	Hellyer
Campney	Helme
Carroll	Henderson
Carter	Henry
Cavers	Herridge
Chevrier	Hetland
Claxton	Hosking
Corry	Howe
Cote (Verdun-La Salle)	Huffman
Crestohl	Jones
Croll	Jutras
Cruickshank	Kickham
Dechene	Kirk (Antigonish-Guysborough)
Decore	Kirk (Digby-Yarmouth)
Dickey	Knight
Dion	Knowles
Dube	Lafontaine
Dumas	Laing
Dupuis	Langlois (Gaspe)
Eyre	Leger
Fair	Lesage
Ferrie	Low
Fournier (Hull)	

Macdonald (Edmonton East)	Riley
MacDougall	Robinson
MacInnis	Rooney
MacKenzie	Rousseau
MacLean (Cape Breton North and Victoria)	St. Laurent
MacNaught	Sinclair
McCann	Sinnott
McCubbin	Smith (Queens-Shelburne)
McCulloch	Stick
McCusker	Stuart (Charlotte)
McIlraith	Studer
McIvor	Tremblay
McMillan	Valois
Major	Viau
Martin	Ward
Mayhew	Weaver
Monette	Weir
Murray (Oxford)	Welbourn
Nixon	Whiteside
Noseworthy	Whitman
Picard	Winkler
Pouliot	Winters
Power	Wood
Quelch	Wright
Richard (Ottawa East)	Wylie—129.

NAYS

Messrs:

Adamson	Fraser
Black (Cumberland)	Green
Brooks	Harkness
Browne (St. John's West)	Hees
Casselman	Lennard
Catherwood	Macdonnell (Greenwood)
Charlton	MacLean (Queens)
Churchill	McLure
Coyle	Murphy
Diefenbaker	Nowlan
Dinsdale	Ross (Souris)
Drew	White (Middlesex East)—26.
Fairclough, Mrs.	
Fleming	

PUBLIC ACCOUNTS

REPORT OF AUDITOR GENERAL—REFERENCE TO STANDING COMMITTEE

Hon. Douglas Abbott (Minister of Finance) moved:

That the public accounts of Canada and the report of the Auditor General of Canada for the fiscal year ended March 31, 1951, which were tabled on October 31, 1951, be referred to the public accounts committee.

Mr. Fleming: I think we should have some sense of reality in this matter. Is the minister suggesting that the committee is going to have time at this session to go into the question of public accounts?

Mr. Abbott: I would think not. This is a routine motion. Since the public accounts are available, hon. members will now have an opportunity to read them. They were tabled in typed form a couple of weeks ago. They are now available in printed form.

Motion agreed to.

Redistribution Commission

REDISTRIBUTION COMMISSION

CONSTITUTION AND DUTIES

Hon. C. G. Power (Quebec South) moved for leave to introduce Bill No. 35, respecting the constitution and duties of the redistribution commission.

Some hon. Members: Explain.

Mr. Power: This bill is to set up a commission of three members, whose duty it will be to draw a plan for the division of the provinces of Canada into electoral districts in accordance with the provisions of section 51 of the British North America Act, as enacted by the British North America Act, 1946.

This proposal is not a new one. It has been bandied back and forth across the floor of this house since 1889. I had the honour of being given the task of preparing a bill for presentation to this house in 1940, but owing to the abrupt conclusion of the session of that date it was not proceeded with. The details of the bill are somewhat complex and are likely to be controversial. It is for that reason I am asking permission to introduce the bill so that it may be distributed to the members, and it will be reintroduced next session.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time?

Mr. Knowles: Now.

Mr. Fournier (Hull): Next sitting.

Mr. Speaker: Next sitting.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

Hon. Stuart S. Garson (Minister of Justice) moved for leave to introduce Bill No. 36, to amend the Combines Investigation Act.

Some hon. Members: Explain.

Mr. Garson: The main purpose of this bill is to forbid persons engaged in manufacturing, buying or selling articles or commodities from fixing specific or minimum resale prices for such articles or commodities.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall this bill be read a second time?

Mr. Fraser: Next session.

Mr. Speaker: Next sitting.

Questions

QUESTIONS

MARGARINE—COST PRICE OF VARIOUS OIL INGREDIENTS

Mr. McLure:

What was the average cost price per pound of (a) coconut oil; (b) cottonseed oil; (c) soybean oil; (d) sunflower seed oil; (e) other vegetable oils; (f) marine and fish oils; (g) edible tallow oils; (h) other animal oils, imported or domestic, purchased in Canada and used in the manufacture of margarine in 1950?

Mr. McIlraith:

1. Average cost price per pound, crude basis, to Ontario manufacturers of margarine, calendar year 1950:

(a) Coconut oil	17
(b) Cottonseed oil	17
(c) Soybean oil	16
(d) Sunflower seed oil	17
(e) Other vegetable oils	17
(f) Marine and fish oils	10
(g) Edible tallow oils	[1]
(h) Other animal oils	[1]

[1] Quantity used in 1950 negligible.

DEPARTMENTAL STORES, MAIL-ORDER HOUSES, ETC.

Mr. Beaudry:

1. What was the number of firms, not classified as departmental stores, operating three or more retail stores during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

2. What was the total number of stores operated by these firms for each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

3. What was the number of firms classified as departmental stores operating one or more stores during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

4. What was the total number of stores operated by these firms during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

5. What was the total volume of retail business done in Canada during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

6. What was the total volume of business done by firms operating three or more retail stores not classified as departmental stores, during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

7. What was the total volume of business done by these firms classified as departmental stores for each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

8. What was the number of mail-order houses, not classified as branches of departmental stores, operating in Canada during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

9. What was the number of mail-order houses classified as branches of departmental stores, operating in Canada during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

10. What was the total volume of business done by mail-order houses of all categories mentioned above during each of the years 1925, 1930, 1935, 1939, 1945, 1948 and 1951?

Mr. McIlraith:

1. Information is available only for years in which the census of merchandising and service establishments was taken. For these years the number of firms not classified as department stores operating three or more stores was:

1930, 957; 1941, 975.

Note: The dominion bureau of statistics classification used in the decennial censuses of merchandising and in the annual surveys separates chain stores from independent stores at the four and over rather than at the three and over level. A chain store is defined as a group of four or more stores or other retail places of business under the same ownership and operation and carrying on the same or similar kinds of business. Many firms in Canada, however, operate two or three retail outlets, thus occupying an intermediate position between single independent stores and chains. These are classified for census purposes as two or three-store multiples. The above figures were obtained by adding the number of firms operating chain stores (four or more stores) and the number operating three-store multiples.

The number of firms, (excluding department stores) operating four or more retail outlets, as recorded in the census or in annual surveys was:

1925, not available; 1930, 518; 1935, 445; 1939, 446; 1941, 533; 1945, 429; 1948, 403; 1951, not available.

2. Information available only for years in which the census of merchandising and service establisnments was taken. For these years the number of stores operated by firms operating three or more retail stores was:

1930, 9,821; 1941, 9,338.

See note to answer No. 1.

The number of stores operated by firms (excluding department stores) operating four or more retail outlets was:

1925, not available; 1930, 8,504; 1935, 8,022; 1939, 7,595; 1941, 8,012; 1945, 6,705; 1948, 7,152; 1951, not available.

3. Information not available. For census purposes all department stores are classified as independents irrespective of the number of stores operated by any one firm.

4. Information available only for years in which the census of merchandising was taken. For these years the number of department stores was:

1930, 148; 1941, 504.

5. The total volume of retail business done in Canada was:

1925, not available; 1930, $2,755,570,000; 1935, $2,120,348,000; 1939, $2,597,752,000;

1941, $3,440,902,000; 1945, not available; 1948, $7,276,400,000; 1950 (preliminary), $9,087,714,000; 1951, not available.

6. Information is available only for years in which the census of merchandising was taken. For these years the total volume of business done by firms operating three or more retail stores not classified as department stores was:

1930, $549,275,000; 1941, $707,745,000.

See note to answer No. 1.

The volume of retail business done by chain stores (four or more stores) was:

1925, not available; 1930, $487,336,000; 1935, $364,129,000; 1939, $432,026,000; 1941, $642,636,000; 1945, $876,209,000; 1948, $1,335,735,000; 1951, not available.

7. The total volume of business done by department stores was:

1925, not available; 1930, $355,259,000; 1935, $258,993,000; 1939, $291,161,000; 1941, $377,806,000; 1945, $516,141,000; 1948, $803,092,000; 1950 (preliminary), $873,099,000; 1951, not available.

8, 9 and 10. Separate information on mail-order houses is not available. The figures shown in No. 7 include the business of mail-order houses or offices. Since the major portion of the mail-order business in Canada is transacted by a comparatively small number of the larger departmental firms it is necessary to combine the mail-order sales with department store business in order to avoid disclosing, at least within narrow limits, the operations of individual firms.

NEWSREEL FILMS

Mr. Fraser:

1. Are the newsreel films produced by the national film board (a) sold to Canadian and foreign motion picture theatres and motion picture producers; (b) distributed free to Canadian and foreign picture theatres and motion picture producers?

2. If sold (a) what was the total revenue in 1950? (b) what was the total revenue for the first nine months of 1951; (c) to what firms or individuals were these newsreels sold; (d) what are the addresses of these firms or individuals?

3. If distributed free, what is the name and address of each individual or firm?

4. What was the total estimated cost of producing these newsreel shorts during (a) the year 1950; (b) the first nine months of 1951?

Mr. Winters:

1. (a) News feature material about Canada produced by the national film board is sold for television use in the United States of America. (b) News feature material about Canada produced by the national film board is supplied free to motion picture producers in various countries. It is not supplied directly to Canadian or foreign motion picture theatres. The producers distribute the newsreels to the theatres. Newsreels for use in Canada are produced either in New York (five producing companies with Canadian editions) or in London (one producing company with a Canadian edition). Canadian material for these editions is obtained from commercial sources as well as from the board.

2. (a) $1111.50; (b) $712.50; (c) and (d) National Broadcasting Company, New York City, U.S.A.; Television Productions Inc., New York City, U.S.A.

3. The following companies last year used NFB news feature material for inclusion in Canadian editions of newsreels:

Paramount News, 544 W. 43rd street, New York City,

Fox Movietone News, 460 W. 54th street, New York City,

Warner Pathe News, 625 Madison avenue, New York City,

Metro Goldwyn Mayer (News of the Day), 450 W. 56th street, New York City,

Universal International News, 105 E. 106th street, New York City,

Gaumont-British, 142-150 Wardour street, London.

The following companies last year used NFB news feature material in newsreels distributed in the United States of America, Alaska, Hawaii, Cuba and the Philippines:

Paramount News,

Fox Movietone News,

Warner Pathe News,

Metro Goldwyn Mayer (News of the Day),

Universal International News.

The following companies last year used NFB news feature material in newsreels distributed in Argentina, Chile, Colombia, Ecuador, Venezuela, El Salvador, Nicaragua, Mexica, Peru, Costa Rica, Guatemala, Honduras and Panama:

Paramount News,

Fox Movietone News,

Metro Goldwyn Mayer (News of the Day),

Universal International News.

Fox Movietone distributed NFB news feature material last year in Portugal, Portuguese East Africa and West Africa.

Gaumont-British releases three individual newsreels; Gaumont News, Universal News and JARO news, all of which contained NFB material last year. Gaumont and Universal News are distributed throughout the British isles and the following countries: France,

South Africa, New Zealand, Singapore, Hong Kong, Holland, Norway, Belgium, Sweden, Egypt, Turkey, Spain and, in some cases, Czechoslovakia and Poland. The JARO edition is the one distributed throughout Canada.

The following companies last year used NFB material in newsreels distributed throughout Europe: British Paramount News, London; Fox Movietone News; Warner Pathe News.

British Paramount also distributed NFB material last year in Stockholm, Belgium, Cairo, Singapore, Indonesia, Australia, British West Indies, South Africa and India.

NFB also has special distribution arrangements in Italy through INCOM of Rome which controls newsreel distribution for Italy, and with Belgavox, which is the newsreel authority for Belgium.

4. (a) 1950—$53,004.35; (b) 9 months, 1951—$57,519.58.

GOVERNMENT PRINTING—AMOUNTS OWING TO KING'S PRINTER

Mr. Knowles:

1. Is any of the printing for which payment has not been made by various departments of government to the king's printer, printing which the department refused to accept, or refused to pay for?
2. If so, what is the amount so involved, by departments, and what is the reason for such refusal, by departments?
3. What proportion of the printing done by the government printing bureau for any recent period for which figures are available, is letterpress printing, and what proportion is offset printing?
4. How much of the money owing to the king's printer as at November 22, 1951, is for (a) letterpress printing; (b) offset printing, by departments?

Mr. Bradley:

1. No.

2. Answered by No. 1.

3 and 4. The department of public printing and stationery maintains no record of the printing methods used in the production of any specific printing job. In many cases both letterpress and offset processes enter into the production of one job.

The compilation of the figures are possible, but it would involve an examination of individual time sheets in respect to every single job produced in the department. The number of jobs completed and charged to departments of the public service during the fiscal year 1950-51 was 21,608. Additional staff would have to be provided for the compilation of such a report.

[Mr. Winters.]

ST. LAWRENCE WATERWAY—ASSISTANCE FROM QUEBEC

Mr. Winkler:

Has the province of Quebec made any offers to assist in the development of the St. Lawrence seaway?

Mr. Benidickson: The province of Quebec submitted to the 1947 board of engineers on the Lachine section of the St. Lawrence waterway several plans for the joint development of power and navigation on the Lachine section.

NEWFOUNDLAND—BAIT DEPOTS—COLD STORAGE PLANTS

Mr. Browne (St. John's West):

1. Were any bait depots or cold storage plants for use in the fisheries industry constructed in Newfoundland in 1951?
2. If so, in what locations, and what is the cost in each case?

Mr. MacNaught:

1. Yes.

2. Construction of one bait depot undertaken at Port aux Choix. Will be completed in 1952 at total estimated cost of $25,000.

NATIONAL INCOME

Mr. Dechene:

What was the national income in each of the years (a) 1931 to 1935 inclusive; (b) 1945 to 1950 inclusive?

Mr. McIlraith:

Net national income at factor cost, in millions of dollars:

(a) 1931, 3,261; 1932, 2,582; 1933, 2,387; 1934, 2,820; 1935, 3,117.

(b) 1945, 9,788; 1946, 9,819; 1947, 10,916; 1948, 12,474; 1949, 13,169; 1950, 14,308.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRAFFIC SIGNALS—APPLICATIONS FOR INSTALLATION

Mr. Weir:

1. How many applications were made to the board of transport commissioners for the installation of flash light type of traffic signals at railway and highway crossings in Canada during (a) the year 1950; (b) the year 1951?
2. How many of these signals were actually installed?
3. At what places were the installations made?

Mr. Benidickson: Return tabled.

LOANS MADE BY FARM LOAN BOARD

Mr. Winkler:

1. By years and by provinces, since 1940, how many loans were made by the Canadian farm loan board?

2. In the same period how many loans were paid up?
3. How many are outstanding?

Mr. Sinclair: Return tabled.

MEDICAL FEES

Mr. Diefenbaker:

1. Have any medical doctors received fees from departments of the government, in excess of $5,000 in each of the years 1949, 1950, 1951 to date?
2. If so, how many, what are the names and addresses of such doctors and the respective amounts paid to each of them?

LAURIER HOUSE AND KINGSMERE PARK

Mr. Richard (Ottawa East):

1. How many days is Laurier house open to visitors each week?
2. What are the visiting hours?
3. Since the opening of Laurier house on August 1, 1951, how many persons have visited it?
4. What is the average number of visitors per day?
5. On what date was the property known as Kingsmere park declared open to visitors?
6. Are there any parking facilities for motor cars at Kingsmere park?
7. If so, how many cars can be accommodated in the parking space?
8. What is the approximate average number of persons who have visited Kingsmere park each week since it was opened to the public?

MOTIONS FOR PAPERS

NATIONAL REVENUE—TAX DIVISIONS—DISMISSALS OF EMPLOYEES

Mr. Diefenbaker:

For a copy of all notices of dismissal or removal from office for cause, given to permanent employees of the income tax or corporation tax divisions of the Department of National Revenue in (a) Montreal; (b) Toronto; (c) Winnipeg, since January 1, 1951.

REGULATIONS REGARDING FLIGHT COMPARTMENTS

Mr. Fulton:

For a copy of all correspondence between the Canadian air lines pilots' association and the director of civil aviation or between the Canadian air lines pilots' association and any other department of government in connection with the request by the Canadian air lines pilots' association that the full authority of the captain of each aircraft be recognized over the flight compartment of the aircraft under his control.

CANADA GRAIN ACT

CANCELLATION OF SECTIONS 61 AND 62

On the orders of the day:

Mr. P. E. Wright (Melfort): I should like to address a question to the Minister of Trade and Commerce. I am sorry I did not send him notice of it until he came to the house, but the matter was not brought to my attention until just a short time ago. What authority is there for the recent action of the transport controller in cancelling the operation of sections 61 and 62 of the Canada Grain Act, 1930, with regard to the operation of a car order book? Will the government, in view of the strong representations made by the pools and other farm organizations in western Canada against this order, reconsider the matter?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The transport controller was appointed under the Emergency Powers Act passed by parliament, and under the terms of his appointment he has authority to control all matters affecting transportation. I think there is no doubt that he has the necessary authority. A complaint has been received from the Saskatchewan wheat pool, and will be referred to the transport controller for a report and for such action as seems appropriate in the light of the complaint.

DEFENCE CONTRACTS

ORDERS PLACED BY UNITED STATES IN CANADA AND VICE VERSA

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct to the Minister of Defence Production a question of which I sent him notice—I hope he received it. Will the minister, before the end of the session, advise the house the total amount of (a) defence contracts placed by the United States in Canada; (b) defence contracts placed by Canada in the United States.

Right Hon. C. D. Howe (Minister of Defence Production): In reply to the question, I will be glad to furnish such information as we have, which is confined to orders placed officially by the government of Canada in the United States and orders placed officially by the departments of the United States government through the Canadian Commercial Corporation in Canada. I might point out that, in addition to these orders, there is a great volume of orders being placed directly by parent firms in the United States with their Canadian subsidiaries, or by departments of government in the United States directly with firms in Canada of which this federal government has no record. I think it may well be that the total of these orders, of which we have no record, is about equal to the orders of which we have official record. I would like to bring these circumstances to your attention before bringing down such information as we have.

Inquiries of the Ministry

AIR TRANSPORT

SERVICES IN NEW BRUNSWICK AND NOVA SCOTIA

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to direct a question to the Minister of Transport. What air service in New Brunswick or Nova Scotia has been taken over by the Maritime Central Airways from the Trans-Canada Air Lines, or was there an exchange of service so as to avoid duplication?

Hon. Lionel Chevrier (Minister of Transport): No air services have been taken away from New Brunswick. The air transport board handed down a decision recently upon an application by Trans-Canada Air Lines to serve Fredericton. In exchange for that service, Canadian Maritime Central will now serve Yarmouth on the route from Boston to Saint John, into Yarmouth and on to Halifax.

IMMIGRATION

DISCONTINUANCE OF IRO—ARRANGEMENTS FOR MOVEMENT OF IMMIGRANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Citizenship and Immigration? Would the minister care to expand this morning's radio news report to the effect that a new international arrangement is to take the place of IRO with respect to the movement of immigrants? Can the minister tell us what Canada's position is with respect to this new arrangement, and anything else that would be of help?

Hon. W. E. Harris (Minister of Citizenship and Immigration): I did not hear the radio comment, Mr. Speaker, but I suppose it was a version of the story which appeared in the newspapers. The international refugee organization is coming to the end of the labours which were assigned to it by the UN at the end of the war. It was the feeling of the principal countries concerned with the movement of these unfortunate people that something should be done to completely dispose of the problem by some method other than IRO. A conference has been held in Brussels for that purpose. Canada was represented by the director of immigration. The only conclusion they reached, of which I am aware, was that a provisional committee would be set up to continue the study of the problem, and that efforts would be made through the respective governments to find a solution to the problem of dealing with about 115,000 people who are still on the rolls of IRO.

Mr. Knowles: Is Canada a member of that provisional committee?

[Mr. Howe.]

Mr. Harris (Grey-Bruce): I have not been informed, Mr. Speaker, whether or not we are. It was intended that those who supported the provisional committee at the conference would be represented upon it.

FEED AND COARSE GRAINS

INQUIRY AS TO MOVEMENT INTO SHORT SUPPLY AREAS

On the orders of the day:

Mr. D. S. Harkness (Calgary East): Will the Minister of Trade and Commerce say whether the government or the wheat board has yet taken any steps to move feed grains into those areas of western Canada in which they are in short supply or, in some cases, non-existent?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The wheat board sells grain to any purchaser, and will arrange to have it loaded for any destination. I have no knowledge of any movement of the type described, but I presume if such movement is required some purchaser in the area will be buying wheat and having it moved in. If so, I am sure prompt attention will be given to the movement.

Mr. Harkness: What about coarse grains, which are even more important than wheat from the point of view of feed?

Mr. Howe: The same statement applies to coarse grains.

HOUSE OF COMMONS

DISTINGUISHED VISITORS IN GALLERY—LORD PROVOST OF GLASGOW

On the orders of the day:

Mr. Daniel McIvor (Fort William): I rise on a special question of privilege, Mr. Speaker. I know that earlier this session it was decided that hon. members would not notice distinguished visitors in the gallery, but there are outstanding exceptions—

Some hon. Members: Order.

Mr. McIvor: I am sure you will allow us the privilege of noticing the presence in the gallery of the distinguished Lord Provost of Glasgow, and welcoming him.

KURT MEYER

REFERENCE TO STATEMENTS BY COUNSEL—REQUEST FOR CLARIFICATION

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. In view of the uncertainty which has been created by the statements made by those counsel responsible for the prosecution of Kurt Meyer and those defend-

ing him, as well as statements by counsel more recently engaged, which throw a great deal of uncertainty upon the propriety of what is taking place, will the Prime Minister indicate whether the government intends to take any action?

Right Hon. L. S. St. Laurent (Prime Minister): I am sorry, but I have no comment to make at this time.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, December 5, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Argue, as amended.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, in this house we have been engaged for some time in debating a motion that a humble address be presented to His Excellency the Governor General, Field Marshal the Right Hon. the Viscount Alexander of Tunis. It so happens, sir, that today is the birthday of His Excellency the Governor General. I know I am speaking on behalf of all hon. members of this house when I extend to him birthday felicitations, greetings and good wishes. A man great in war and in peace, the manner in which he has discharged his responsibilities as Governor General has made him justly popular everywhere in this Dominion of Canada.

There have been amendments and subamendments, the latest of which was moved on Wednesday last. For the first time in more than a generation, in order to water down an amendment that would constitute a motion of non-confidence in His Excellency's advisers, a member supporting the government has moved a subamendment which was, to say the least, constitutionally unusual. I believe the result of that subamendment, regular in its form as it was and in order as declared by Your Honour, has been to place the government of this country in a quagmire of difficulty. I intend, if I may, to refer to the only examples that exist of an amendment or a subamendment along the lines of the one in question. When I do so, I want to give my thanks to the hon. member for Winnipeg South Centre (Mr. Churchill) for his collaboration and study in connection with this matter.

An hon. Member: North Centre.

Mr. Diefenbaker: It is usually North Centre who deals with the rules, but this time I refer to South Centre, a new member who has come into the house but recently, and who adds that strength and ability to the house which able and qualified men bring to our deliberations.

I believe it is worth bringing to the attention of the government that an examination of the *Journals* of this house indicates that from 1867 until 1902 the practice was followed of moving a resolution to the effect that a humble address be presented to the Governor General. The formal address was followed by a series of paragraphs repeating almost word for word the corresponding statements which appeared in the speech from the throne. From 1888 until 1896 the practice was to put the question for each paragraph of the resolution, and it was discontinued.

The custom up to 1895 was to refer to a special committee of the house the drafting of an address to His Excellency or to His Majesty the King. In 1903 a short form of address was adopted which is the one in effect now. It is interesting to note that. Between 1867 and 1902 only two amendments to the resolution were ever considered. The first of these was in 1893 and was an amendment by Sir Wilfrid Laurier, then in opposition, and the amendment was defeated. The second amendment occurred in 1899, and that is one similar in nature to that moved by the hon. member for The Battlefords (Mr. Bater). That amendment proposed adding a tenth paragraph to the resolution and suggested the appointment of a judicial commission to investigate alleged malpractices in the administration of the Yukon. A subamendment was moved by the government supporters expressing confidence in the commissioner of the Yukon. The subamendment carried and was added as paragraph ten of the resolution.

Someone will immediately say that what the hon. member for The Battlefords has done, even though it is as far back as 1899, indicated that we have the right to do it now. At the time that subamendment was moved general procedure was different from what it is now. As I pointed out a moment ago, in 1903 the humble address that we now send to His Excellency was then adopted. From 1903 to the present day the debate on the address in reply to the speech from the throne has occupied more time of the house than it had previous to the adoption of the short form of address. In the period between 1903 and June 1951, 35 amendments and 30 subamendments, a total of 65, that have been found in order or have not been challenged, have been proposed to the address in reply to the speech from the throne. In all those 65 amendments never has there been a case, since the alteration in the procedure connected

with the address from the throne, in which a government member has moved a sub-amendment. We therefore have to turn to Britain and examine its constitutional practice and history.

The practice in the British House of Commons appears to have been the same as that which is now followed in Canada. The short form in reply to the speech from the throne was adopted in Britain in 1891, and amendments thereto have always been considered as motions of want of confidence. The Prime Minister (Mr. St. Laurent) gave his imprimatur to that viewpoint when, on October 15 last, the leader of the opposition (Mr. Drew) moved an amendment and asked that there be a free vote in the House of Commons, and said that there was no intention to have the amendment to the motion considered as a vote of non-confidence. As reported at page 33 of *Hansard* the Prime Minister (Mr. St. Laurent) said:

> If it is not a motion of no confidence it probably is not in order . . .

He had said earlier that it was a matter for the Speaker to decide. In the fifteenth edition of Erskine May's Parliamentary Practice, 1950, there are only two references to amendments to the address being passed in Britain. One of those occurred in 1924 and resulted in the immediate resignation of the government. I repeat, Mr. Speaker, what I said a while ago, that this government is in a procedural quagmire. I think they are in the position that the psalmist referred to when he said: "In the net which they hid is their own foot taken". Apparently they devised this form of adulteration which removes from the opposition the right to place before parliament and have parliament vote on amendments that are non-confidence amendments. We have gone far enough along the way of the one-party state. We in this opposition and all future oppositions should not be denied the right to introduce specific motions of non-confidence and have them voted upon in the house irrespective of the difficulties or the mental exercise that may be caused to some of the members for having to vote on an amendment which they would like to support but which their political persuasion does not permit them to do.

I believe that before we are through with this matter, if we are to restore some degree of constitutional regularity to what has happened, I think the government will have to do something similar to that which was done in 1894. Then a Liberal government was in power and Lord Roseberry was Prime Minister. Sir William Harcourt was leader of the house. An amendment was put forward by a private member on the opposition side dealing with the subject of restricting the power of the House of Lords. Some of the government members then had a higher degree of independence than has been characteristic of government members at other times and in other places, and they voted for the amendment. The result was that the amendment to the address was supported on a vote of 147 to 145.

If you read *Hansard* and the London *Times* of that period you will find that, for two or three days, there was an unusual degree of excitement in the house. The government was embarrassed. Governments sometimes became embarrassed in those days as a result of constitutional difficulties in which they found themselves. There was no precedent. Mr. Balfour of the official opposition, who was always a master of understatement, said that this was "an unexampled position in our parliamentary history". The government did not feel they should resign. But the government found itself in a position where it could not submit the address in its amended form to the king. Can you imagine, Mr. Speaker, His Excellency receiving the following address, as it will read if the sub-amendment passes:

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament; but this house regrets the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems.

When His Majesty's representative receives that message, it will have one qualification: it will be unique in parliamentary history. In effect it says: This is a motion of confidence and regret but in voting for the motion of non-confidence we want at the same time to say that we have confidence in the government. We are slipping a little but we will not fall in expressing our confidence in the government. My submission is that if the government and the members supporting it vote affirmatively in connection with the amendment of the hon. member for Assiniboia (Mr. Argue), as amended by the hon. member for The Battlefords (Mr. Bater), it will be tantamount to saying that they have no confidence in the government while at the same time saying that they have.

Mr. Ferrie: You are a good lawyer.

Mr. Diefenbaker: I am quoting from Liberal records in Britain now. That is the point. It is not a lawyer's argument. What had to be done in Britain will have to be done here. What great parliamentarians in Britain had to do in order to extricate a government that was put into difficulty by a motion of the opposition, not by one of their own members, may have to be done here.

Mr. Sinnott: And the member for Lake Centre.

Mr. Speaker: Order.

Mr. Diefenbaker: Well, Mr. Speaker, I was endeavouring to speak to those who will follow intelligently what I am trying to say. I am glad to know my hon. friend is following this argument.

Mr. Sinnott: I am glad to know the hat fits.

Mr. Diefenbaker: In the British parliament, to extricate themselves from the unusual situation the government had to ask the assistance of the official opposition, with the result that the house voted down the main motion as amended and subsequently moved a new address expressed in terms similar to the original. And thus, though humiliated, a precedent was not established of the government amending its own address.

That, sir, is the position in which, as I see it, the government is placed. After all, the form of address if the amendment of the hon. member for The Battlefords is adopted is bound to be unusual. It will be a departure from a hundred years of parliamentary practice in Great Britain. It will be a departure from over fifty-five years of parliamentary procedure in this country.

The situation that occurred in Great Britain in 1894 occurred, I point out, not with the connivance, assistance or condonation of the government, or with the assistance of a government member. It arose by an amendment moved by an opposition member. I suggest, sir, that the government take immediate action to remove the anomalous situation created by the subamendment, in the interests of sound and constitutional parliamentary procedure and in order to preserve future parliaments from a ruling that, while sound and unchallengeable, will have the effect of removing from the opposition the right that oppositions should have, and that should surely not be denied even though the government has an overwhelming majority—the right to move amendments on specific matters and to have the amendments voted on; otherwise a precedent will be created that future parliaments will always be subject, on amendments expressing non-confidence, to subamendments by government members designed to make them palatable to government members by a substituted form of adulteration such as will take place if the subamendment is passed. I suggest that this subamendment, in its present form, is an example of a trend indicative of an all-powerful government which would remove from the opposition the last surviving right it has in parliament, that of moving a clear-cut motion of non-confidence.

I pass on now to discuss the excessive load of taxation the Canadian people are carrying today, in consequence of the bad guesses made by the Minister of Finance (Mr. Abbott) and his advisers a few short months ago. Before proceeding further I may say that this amendment could have been moved a considerable time ago, but it was not moved until the Minister of Finance returned to Canada, after having represented this country abroad. One of the pleasant amenities of parliament is that while we all cannot and should not see eye to eye, and parliament could not exist with only one party, nevertheless, regardless of party we do endeavour to maintain those friendly relationships without which parliament would be chaotic and ineffective. I know every member of the opposition joins with me in welcoming the Minister of Finance back to this country. He will have the opportunity today to answer personally for whatever may be said regarding the overtaxation that has taken place here during recent months.

The other day in opening my remarks I said that no Canadian would object to paying a fair share of the taxes necessary to run this country and to build up our defences. I am sure the minister has been back in Canada long enough to find out that everywhere in this country people are aroused, as never before, owing to the fact that in the past several months hundreds of millions of dollars more than required for civil expenditures and for defence have been collected by the government.

It is not as though a warning had not been given in this connection. The leader of the opposition (Mr. Drew), and the financial critic of this party, the hon. member for Greenwood (Mr. Macdonnell), when the new taxation measures were brought in last spring warned as to what would happen, and pointed out that there was no need for this extra taxation. We objected to the increase in sales tax from 8 to 10 per cent. We said that could only have the effect of increasing the high

cost of living, applying as it does to household furnishings, clothing, shoes and other needs. Not only would it increase the price index, but it would increase the cost of living; for in my opinion the index number does not represent the degree to which, in an individual case, the cost of living has gone up in this country.

The leader of the opposition and those who followed him in the debate objected to the 15 per cent tax on refrigerators, stoves, washing machines and the like. We objected to the 20 per cent added to income tax, the so-called defence surtax, and joined in support of a motion moved by hon. members to my left stating that that added 20 per cent income tax should not apply to people in the low income tax brackets. On every one of these matters the government and its supporters voted in unity for the additional taxation.

We dealt with the extraordinarily heavy tax imposed upon cigarettes and tobaccos. We endeavoured to show that there was no need for this extra taxation. The answer of the Minister of Finance was that the best estimates that he and his advisers could give would be that the surplus for the fiscal year would not be over $30 million. The government talks about using the surplus for the purpose of discharging debt, but they never said anything about that last spring when they secured the approval of parliament for additional taxation. There was no mandate on the part of parliament to impose upon the Canadian people excessive, overwhelming and unwarranted taxation at a time when the cost of living was as high as it was then, so as to have a surplus for debt retirement.

Yet, because of the government majority, numerous as it is, these taxes were imposed. And now the people of this country find themselves in many cases caught between the squeeze of rising prices and high taxation. I think everywhere in this country the Canadian taxpayer would like to know where members of the House of Commons stand on this question.

I intend to move in amendment the following:

> And further regrets that Your Excellency's advisers continue to collect unnecessarily high taxes beyond requirements and have failed at the present session of parliament to relieve the people from unnecessary, burdensome and unjustified taxation.

The latest report of the bureau of statistics indicates that the cost of living is still rising. A major factor in this increasing cost of living is a government policy of taxation far in excess of its requirements.

It has usually been said that high taxation siphons off savings and meets the onrush of prices and inflation. With the government today collecting hundreds of millions of dollars more than it needs for its purposes, this extra taxation is inflationary in its operation.

I repeat that Canadians are willing, in the interests of national defence, to stand behind the government and parliament, and will pay the taxation needed. But surely there is no justification, without a mandate from parliament, for collecting from every person in this country in a period of seven months $45 more than required for the purposes of governing the country, developing the nation, building up our defences and playing our fair part, and paying our share in the international sphere.

When the Minister of Finance announced his budget on April 10 last he estimated that the total expenditures for the present fiscal year would amount to $3,700 million and it was upon that basis that he was budgeting. The estimate was $1,664 million for defence; $1,923 million for non-defence, and $113 million for supplementary estimates. As it turned out the supplementaries amounted to $195,172,000.

To meet these increased expenditures the Minister of Finance announced taxation changes designed to produce actual additional revenues of about $405 million, which he estimated would result in a surplus of approximately $30 million for the entire year. But with every passing month the surplus gets greater and the government boasts of a month by month increase in the revenue. If revenues are maintained at the present level, and there is every probability that they will be not only maintained but increased, the gross revenue for this year will exceed $4,000 million.

Do not let the government answer that by saying that the surplus is caused by the fact that they have not been able to get their defence mobilization under way as it was anticipated. Allowing for the expenditure of every dollar provided by parliament for defence purposes this year, and irrespective of the fact that government is behind in its defence expenditures, if they expend every dollar for which the minister budgeted the surplus on the basis of the present monthly increases in revenue over expenditures will amount to at least $230 million at the end of the fiscal year instead of $30 million as estimated.

This situation is serious. If the present rate of surplus continues to pile up month by month at the present rate it will amount to around $900 million at the end of the fiscal year. On the other hand, if the government even at this time were to expand its expenditures for defence to the amount that

was budgeted we would still have at the end of the year a surplus of $200 million beyond that estimated by the minister.

I want to point out that reduced expenditures for defence are not the only contributing factor to that huge surplus now being taken from the Canadian people under what I believe to be exorbitant taxes. The revenues for the entire fiscal year after additional increased taxes were levied were estimated to reach $3,730 million, which would result in a surplus of $30 million. Ordinary revenues for the month of October amounted to $352 million, making a total of ordinary revenues for the first seven months of $2,147,967,000 as compared with just a little under $1,500 million for the same period last year.

What does all this mean? It simply means that either the government guessed wrong or they did not properly place before parliament the facts when the support of parliament was secured for this extra taxation. I should like to read an article by Austin F. Cross, which I am sure every hon. member of the government has read, which appeared in the December issue of *New Liberty* magazine and in which the matter is set forth clearly, distinctly and factually. He points out that the government may call it taxation that has provided so large a surplus but in reality it is taking from the Canadian people money that parliament never considered was being voted, and that that is unjustifiable having regard to the estimates made for national defence and for civil expenditures last April.

It may be said that we are not overtaxed, but I would refer hon. members to figures which appeared recently in the *Financial Post*. In the article a comparison is made between United States and Canadian federal taxation and it shows that we in Canada are paying far more in taxes on many of the necessities required by the ordinary person than is paid in the United States. It compares the taxation on cigarettes, and I shall refer to that in a moment. It compares the taxation on automobiles, automobile parts, beverages, blankets, household requirements, and all of those things by the hundred which are used by the ordinary people.

Mr. Decore: What about income tax?

Mr. Diefenbaker: I shall let my hon. friend put the figures on the record with regard to income tax. In the United States capital gains are taxed in part; here they are not. I submit too that it shows that the tax on many things that are so necessary in the home is not and cannot be justified.

I should like to refer to some of the effects of this heavy taxation. Taxation in excess of requirements is an added factor contributing to the increased cost of living. We have the Minister of Justice (Mr. Garson) in legislation to be introduced trying to find out ways and means of keeping down the cost of living, and other ministers in the government putting on additional taxation and doing their part thereby to raise the cost of living.

Governments are no different from individuals and when they have a lot of money lying around they consider it an invitation to spend. The non-defence expenditures which the Minister of Finance promised last spring would be reduced to a minimum have been increased and not decreased. The Minister of Finance has repeatedly stated that there was no need of a committee of parliament to be set up to cut down non-defence expenditures; that the government was doing their best; that they had committees and the treasury board and the like; that they had saved on civilian defence expenditures one and three-fifths cents on the dollar. Making allowance for additional provincial subsidies of $7·2 million; additional family allowances of $6·3 million; government contributions to the unemployment insurance fund of $2·8 million; old age and blind pensions, $3·6 million; general health grants, $4·2 million; not taking these into account at all we find that during seven months the ordinary non-defence expenditures in Canada have increased by $13·6 million, and this in spite of the promises by the government that in order to fight inflationary pressures civil expenditures would be kept down.

Another effect of high taxation has been increased lawlessness in this country. There is no greater invitation to lawlessness than unjustifiably high taxation in a nation which lies alongside another nation in which the same high taxation is not imposed. The tax on cigarettes in Canada is $11.50 per thousand or 23 cents per package of 20; in the United States it is 8 cents per package of 20, or $4 per thousand. Our tax on manufactured tobacco is $1.15 per pound and the United States tax is only 10 cents. On raw leaf the tax is 40 cents per pound in the United States and 10 cents per pound here. Tobacco products in Canada are subject to an additional federal sales tax of 10 per cent which is calculated on the total manufacturer's price. The cigarette tax at its present level is a detriment to the production of tobacco. It strikes a challenge to the existence of the tobacco farmers of this country and is an encouragement to the development of widespread contempt for the law. At the same time it has resulted in a loss of revenue to the country. Nobody has benefited by this

high tax, least of all the Canadian people or the revenues of this country. No amount of government stubbornness can justify its continuance. I am not going into the facts regarding the extent of the smuggling except to point out that in the *Globe and Mail* of December 4 there was an article in which a high ranking mounted police officer was quoted as saying:

> . . . enforcement is impossible. Seizures were made from time to time . . . but even fines and the loss of trucks did not stop the smugglers. No individual could stand the losses, and the fact that men whose trucks had been seized appeared again a short time later indicated the smuggling was operated by a well-financed ring.

Cigarette smuggling—and I have heard something about it in the last few days—has become a national scandal with up to 50 million United States cigarettes being brought into Canada each month according to the estimates of qualified people. The increase in taxation last spring was estimated to produce greater revenue to the extent of $26 million by the end of the year but has resulted in a loss of $20 million to the revenues of Canada.

Someone has argued in justification of the high tax that in England the tax is higher on tobacco and cigarettes. That is true, but there they do not have thousands of miles of border. Cigarette bootlegging is now big business. What is happening teaches the lesson that taxation can be made so high that revenues fall. Taxation can be raised so high, as it has been unjustifiably in the last few months, as to impede and interfere with production. *Time* magazine sums it up in these words:

> The flood, estimated at 50 million cigarettes a month, continues unabated. The price is too good, the demand too great, the border too long and too free.

This menace, this undermining of the law will continue as long as taxation remains at its present height. I suggest that the only way in which excessive government spending can be stopped—and I am not going into the examples I have here today—is to keep the tax collectors poor, and not allow them to have more than is necessary within reasonable limits of expenditure. I think the time has come to say to the government: You must do away with unnecessary taxation and give the Canadian people a break. Remove the sales tax on necessities such as household appliances, clothing, prepared foods and the like in order that a contribution may be made by the government to a reduction in the cost of living. Unless we are to encourage smuggling over the next few months, and in spite of the minister having said a day or so ago in Montreal that he did not intend to do anything regarding taxation reduction at the present session, the time has come to make provision for the immediate removal of the additional taxation imposed on cigarettes and tobacco at the last session. Second, after securing the approval of the governor in council the government should ask parliament to reduce unnecessarily high taxation, in the form of the sales tax on necessities, to levels consistent with requirements for government expenditures.

I shall now refer to an example of the kind of thing that arouses the Canadian people. The government is spending with almost profligate ease, taking from the Canadian people hundreds of millions of dollars more than are necessary; but what solicitude over a citizen in Manitoba who owed the government $5.76. I am sorry the Minister of Labour (Mr. Gregg) is not here. Last Friday week the court of appeal of Manitoba brought down a judgment. It is one that governments can read with profit to themselves. This citizen's name is William Wood. On October 14, 1950, a letter was sent to him by the unemployment insurance commission stating that he owed $5.76 in insurance stamps, and twenty-four hours was given him within which to make up this terrible depredation at the expense of the Canadian people. He paid within twenty-four hours. On February 19, 1951, a charge was laid against him for not having paid the amount when he should have paid it. It was tried before the police magistrate on March 30, 1951, who dismissed the charge. Would you not have thought that was far enough to drag an honest taxpayer along the way of litigation?

The crown took him to the county court on an appeal and the hearing was held some months later. The county court judge dismissed the appeal. I do not want to mention this out of respect for the profession, but the Minister of Justice employed lawyers on the case, and against a man who dared to owe the Canadian people $5.76. The appeal was dismissed. Was the department satisfied? They went to the appeal division of the high court of Manitoba, and when you get into the high court, costs do mount. Last Friday week the court of appeal of Manitoba handed down its judgment dismissing the appeal. Mr. Justice Adamson and Mr. Justice Montague were in favour of dismissing it while Mr. Justice Coyne dissented. Mr. Justice Adamson said that the county court judge was correct in dismissing the appeal. Referring to the letter as a result of which Mr. Wood paid the $5.76 within twenty-four hours, Mr. Justice Adamson said:

> That letter and the immediate compliance . . . should have been taken as settling the matter. That is what any reasonable or fair person would have considered the letter meant. However, the complainant Rudd, on behalf of the commission, then

laid this charge and has seen fit to press it through three courts. The respondent has remedied his fault—he owes no money. The charge was purely technical . . .

Apparently there is a threat that the crown is going to carry the case to the Supreme Court of Canada because, Mr. Speaker, there is some principle at stake. I ask that the responsible minister put an end once and for all to this nonsense of treating a taxpayer in this way who remedied his default within twenty-four hours; and that is what the court of appeal said. Mr. Justice Coyne, who dissented, said:

Further litigation would be still more unfortunate and not conducive to justice.

However, he said in his dissent that he felt the man had done wrong and he would have imposed a fine of $1 without costs. The court by a majority dismissed the case. When, on the one hand, you see a government unjustifiably spending—and I could mention examples of recent months, but I am not going to because there will be another opportunity to deal with the question of over-expenditure and unjustifiable expenditure—you understand why the Winnipeg *Tribune* on Monday last had an editorial entitled "Poor show by Ottawa Brass". The editorial reads in part:

What we would like to know and what a lot of people would like to know is how much these three trials cost the commission in court costs and lawyers' fees.

I think it would be most interesting to ascertain what was the amount of that wasteful expenditure.

I am asking the government at this present session to end this national scandal of cigarette smuggling that is taking place and that is resulting in law-breaking by thousands, while at the same time the little fellow in Manitoba for $5.76, which he paid when notified, is dragged through three courts in order to maintain the dignity of the law. If the dignity of the law is to be maintained for $5.76, there are immeasurably greater reasons for assuring the maintenance of the dignity of the law of this country by enacting legislation at this session to remove the extra tobacco taxes that have caused wholesale bootlegging and law-breaking. By doing so the house will be actually increasing the revenues of the Minister of Finance for the next several months of the fiscal year. At the same time, if parliament removes the sales tax in so far as necessities are concerned and the surtax on income tax, it will be doing something to restore equilibrium between what the actual costs of running government and defence will be and the amount of taxes that should be taken from the Canadian people.

I therefore move, seconded by the hon. member for Vancouver-Quadra (Mr. Green), that the following words be added to the amendment:

And further regrets that Your Excellency's advisers continue to collect unnecessarily high taxes beyond requirements and have failed at the present session of parliament to relieve the people from unnecessary, burdensome and unjustified taxation.

Mr. Speaker: The question I must determine is whether the amendment moved by the hon. member for Lake Centre is in order. It is necessary that an amendment which is moved at this time should be relevant to the amendment as amended. I am not sure that the amendment moved by the hon. member for Lake Centre is relevant to that amendment. I am not making a ruling in advance, but it seems to me that it might be more appropriate if this amendment were moved when the main motion as amended is presented to the house. I shall be glad to hear hon. members on it.

However, perhaps we might consider it from a practical point of view. May I just for a moment do something that is probably a little unusual, and refer to the ruling which I made last Wednesday on the amendment which was moved by the hon. member for The Battlefords (Mr. Bater). Hon. members will recall that in making my ruling at that time, I said I had had very little time to study the precedents. I did refer to the fact that I could find only one instance in which a similar amendment had been moved. The other day, when I was reading Beauchesne's third edition, I ran across a ruling which was made by Mr. Speaker Lemieux on June 26, 1926. I find that a similar amendment was moved at that time. It is interesting to note that the amendment which was moved at that time, and which struck out all the effective words of the amendment which was then standing, was moved by Mr. Woodsworth, who at that time represented the riding of Winnipeg North Centre. Apparently it has been characteristic of the people of that riding to send to parliament men who have a very keen appreciation of the rules of this house. I recall that last Wednesday the present member for Winnipeg North Centre (Mr. Knowles) argued against the regularity of the subamendment. I would like him to read the amendment which was moved in 1926.

On Wednesday of last week it was said that hon. members might not have an opportunity of voting on the subamendment which was then before the house; but if members will read the words of the Speaker which appear on page 629 of Beauchesne's third edition they will see that he also considered that question

Since my ruling of last week was an important one, with the permission of the house may I refer in this debate to my ruling of last Wednesday, that is, to correct my ruling by referring to the debate that took place in 1926. I think it might be helpful on some future occasion.

Some hon. Members: Agreed.

Mr. Speaker: I must dispose of the present amendment which has been moved by the hon. member for Lake Centre. Probably it should be moved, to be in order, on the main motion as amended. However, I think for all practical purposes it might be better to dispose of this question now. The hon. member for Lake Centre has made an address on the subject. I see that the Minister of Finance is in the house. He rose as if he were prepared to speak. Probably it would save the time of the house, without this being considered a precedent, if the amendment of the hon. member for Lake Centre were allowed to stand.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I certainly have no quarrel with your ruling on the procedural matter. I had not given it any consideration myself. Whatever the strict legality of the matter may be, I agree with the views you have expressed that it might be well to dispose of the question now. I have not had occasion to speak to the house for some little time. In view of a good deal of what the hon. member for Lake Centre has said, it would seem that this is perhaps an appropriate opportunity to do so. I appreciate his courtesy in withholding the comments which he had to make today until I could again be in the house.

He has raised some very important questions, raised them with his usual force and vigour. They are questions which merit a reply, and that reply I intend to give this afternoon.

At the outset let me hasten to state the obvious. It is clear, of course, that the revenues which have been accruing to the treasury during the first seven months of the year are substantially in excess of those which I estimated when I delivered my budget speech last spring. It is clear also that expenditures, particularly in defence, are not running at the full rate which was contemplated at that time. Nevertheless, the criticism which has appeared with respect to the surplus which is accruing, and the alleged overtaxation, implies necessarily that in submitting these estimates last April I must have been either dishonest or incompetent. I concede readily that the hon. member for Lake Centre (Mr. Diefenbaker) would not suggest for a moment that I possess the first of these qualities, and I doubt whether he would press very hard the second one. Nevertheless I think that is the necessary implication of the charges that have been made in some other places.

Let me say this at the outset, Mr. Speaker. In the estimates I have placed before the house in the five years that I have been Minister of Finance, every estimate has been made with complete honesty, without mental reservations, and based upon the best technical advise available to me, either within or outside the government service. Moreover, I have made a practice of disclosing fully and frankly in my budget speech, and in the accompanying papers, the basis of my statistical estimates. In every budget I have explained and emphasized the difficulties of forecasting. I do not need to tell the house again, because I have done it before, that estimates of expenditures have to be forecast some fifteen to eighteen months before the end of the year to which they refer. Right now we are, of course, in the middle of preparing and compiling our estimates for the coming fiscal year which will end on March 31, 1953.

On the revenue side, the Minister of Finance brings down his forecast of revenue in March or April. As a rule these forecasts are based on statistics, the latest of which are available for January or February, and many of them are still only preliminary estimates for December. So that as a consequence the forecast of revenue must look fourteen or fifteen months ahead. These forecasts are all subject to a change in price levels, shifts in imports and exports, the ups and downs of employment and investment, and other unforeseen changes in the economic climate both at home and abroad.

If hon. members will cast their minds back they will recall that almost every year, far from being charged with being too pessimistic in my forecasts, I have been charged with being too optimistic. I well remember that as late as March 1950 my hon. friend the financial critic of the opposition, the hon. member for Greenwood (Mr. Macdonnell) charged me with being unduly optimistic. He pointed out that a small change in my estimates for that year, a small change in business conditions, could result in a deficit rather than a surplus. On the average, over the past four years, performance has exceeded forecast by just about 12 per cent. My revenues, over this period of unprecedented prosperity in the history of Canada, have on the average exceeded expenditures by about 12 per cent. Expenditures are much more easily forecast because they are more directly under our control than are revenues. In the past four years actual results have exceeded

forecasts by only about 4 per cent. All governments at all levels have been faced with these same difficulties, and I have been far from alone in underestimating revenues during the period to which I refer. In the fiscal years ending in 1951 actual revenues exceeded forecasts in the case of some provincial and other governments as follows: Ontario, 16 per cent; Quebec, 19 per cent; British Columbia, 17 per cent; Alberta, 40 per cent; United States, 29 per cent. This is against the average which I mentioned in the case of federal revenues of approximately 12 per cent.

As the hon. member for Lake Centre has pointed out, this year I forecast our revenues at $3,730 million. I told the house explicitly that this was based on the following assumptions: First, high employment; second, average crops; third, a price level not much higher than in April; fourth, gross national production of $20 billion. In my budget speech I went on to say that should production and incomes continue to rise beyond that level—as they well might—I should expect my forecast to be exceeded. Should they not go quite that high, our revenues could fall short of the estimates I was submitting. This figure of $20 billion was based on careful studies prepared by experts in the Department of Trade and Commerce, and it compared with a gross national product the preceding year of $17·5 billion. In other words, it assumed an increase during the coming year of 12 per cent over 1950, as compared with increases of 6 per cent and 8 per cent respectively in the two preceding years.

I said that of that estimated 12 per cent increase in gross production, about half was estimated to be in price increase and about half in volume. It now seems reasonably certain that our 1951 gross national production will be something over $21 billion, or an increase of about 18 per cent. In other words, it is about 6 per cent higher than I forecast. There have been greater increases in both price and volume than either my officials or I expected, or that any other responsible person could have estimated. I would not have believed it possible we could continue to increase our gross national production at the rate we have during the past four or five years. Therefore, unless there are other unforeseen changes—which I do not expect—I anticipate that our revenues next March 31 will exceed my forecast by about 8 per cent or 9 per cent, or by some $300 million to $350 million.

As I have said, normally our expenditures are much easier to forecast accurately, but this year there have been some unusual problems. Apart from defence, and the new universal old age pension payments which will start on January 1, it looks as though our expenditures will exceed our forecasts, but only by 3 per cent or 4 per cent, and this in spite of higher construction costs than I had expected, and the further increases in salaries and in the pay of armed forces and the R.C.M.P. which will be announced shortly. Hon. members will do well to recall, in comparing last year's expenditures with this year's expenditures, that government costs have increased in the same ways other costs have increased. If you take into account these factors and the increases in the salaries and wages, and government services, it would have been a fairly creditable achievement to have held our non-defence expenditures at the level of last year. In fact, that would mean an appreciable reduction in government services.

As to defence expenditures, the actual expenditures on defence for the year which will end on March 31 were most difficult to forecast. A year ago at this time, when the armed services were presenting their estimates to the members of the treasury board, they honestly thought they could usefully spend a good deal more than the $1·7 billion which parliament voted. So far as we were concerned, it was not a disagreement on needs or speed. It was a matter of judgment as to how much could be procured or constructed in that twelve-month period. As the house knows, the final amount which was voted by parliament for defence was approximately $1·7 billion.

To my personal knowledge every country is finding it most difficult, almost impossible, to carry through its planned defence program at the planned rate; and we are certainly no exception to that general rule. Those parts of our program which are wholly within our own control are well up to schedule, but such matters as construction, which depends on imported steel or imported equipment, and on equipment and supplies which must be procured in the United States or elsewhere, either in finished form or in the form of key components, are behind schedule. The services hope, of course, that they can catch up a good part of that lag before March 31, but it is clear to me now that the defence votes which parliament appropriated last year will most certainly not be fully spent before the end of this year, although commitments will have been incurred which will fall due for payment in coming fiscal periods.

In saying that we have been delayed by inability to obtain certain essential supplies from outside, I am not casting any criticism,

of course, on the United States or on any other country from which we have to obtain these materials. It is a common problem, one which is shared by all of us. We have to take our place in the agreed production schedule, and having regard to the world situation we cannot always claim first priority.

What is this surplus that we have heard so much talk about? I must confess that I have been somewhat surprised at what seemed to me to be the rather naive and erroneous inferences drawn from our monthly statements by people who really ought to know better. The monthly statements of the comptroller are, of course, completely accurate summaries of each month's revenues and expenditures. But surely all hon. members know better than to take one or three or six months' figures and multiply by 12 or 4 or 2. A most elementary checking back on published figures would save people from some of these erroneous inferences.

Revenues, of course, come in fairly evenly throughout the year, since income taxes were placed on a pay-as-you-earn basis. There is normally a slight slump in the summer and a moderate peak in the final quarter of the fiscal year. But expenditures are highly irregular and they have a pronounced seasonal pattern. They do not occur in a regular 8 per cent a month or a regular 25 per cent a quarter. The house will be interested to know that the past three fiscal years show the following average quarterly pattern:

April to June, 17 per cent of total annual expenditure.

July to September, 21 per cent of total annual expenditure.

In other words, approximately one-third of your total expenditures come in the first six months of the year.

October to December, 22 per cent of total annual expenditure.

January to March, 40 per cent of total annual expenditure.

The low figure for the first quarter and the very high figure for the last quarter show perhaps the most conspicuous feature of that pattern. That is due to two long established accounting practices in the government service.

By statute all payments actually made in April on account of expenditures properly incurred prior to March 31 are charged back into March. That means that the comptroller's figure for April budgetary expenditures covers barely half a normal month, while his March figure is, as a rule, about double a normal or average month.

[Mr. Abbott.]

The second point is that the whole of certain large annual expenditures such as deficits on government-operated railways and the like, government contributions to the superannuation fund, interest on numerous trust funds and the like, and on post office savings accounts, reserve against active assets and these other items are charged at the end of the fiscal year. The net effect of these two practices is that the month of March normally shows expenditures which are equal to those of any three other months.

All these figures are available from the comptroller's monthly statements and from tables which are in the public accounts.

If the hon. member for Lake Centre (Mr. Diefenbaker) will take the trouble to refer to page 18 of the public accounts for 1951, for example, he will see that last year our October month-end surplus was $363 million, that the peak month-end surplus rose to $649 million in January, but that our final surplus was $211 million. So that if I did not have a fairly substantial surplus by the end of October or November, it would be quite clear that I would be bound to run into a substantial deficit at the end of the fiscal year.

As the house is well aware, our accumulated budgetary surplus for the first seven months of this year stood at approximately $605 million, compared with $363 million at the same period last year. That does not mean, of course, that we have on hand an extra $605 million in cash because, in addition to our ordinary or budgetary expenditures, we have had to lay out the following funds:

	Millions
Loans to or investments in housing, railways, farm loans, foreign exchange reserves, etc.	$293
Cost of replacing defence equipment supplied from stock to NATO countries	74

The house will recall when we transferred existing equipment to some of our allies in NATO, we set up a credit in a special account for the value of that equipment and that can be drawn against to purchase new equipment, but that represented a cash outgo but is not reflected as a disbursement in our books in the year in which the cash is paid out. The other items are:

	Millions
Redemption of international bank demand notes	$ 7
Net reduction in matured debt	16
Redemptions of Canada savings bonds and of war savings certificates	131
Total	$521

After taking care of these obligations we have left only $84 million out of our $605 million budgetary surplus.

We also have non-revenue cash receipts, such as purchases of annuities, deposits in post office savings accounts, loan repayments by other governments and so on, amounting in all to about $124 million, so that our actual cash on October 31 was $208 million above April 1.

Perhaps I might add here that during November we paid off $523 million of debt, but we borrowed $492 million, largely Canada savings bonds which were the only new borrowing during that period, or a further net use of cash of $31 million to reduce debt.

Mr. Adamson: What were the securities paid off?

Mr. Abbott: I have not the figures here now, but they are readily available. As anyone who is familiar with conditions as they exist today knows, as things have turned out in New York, in London, as well as in Canada, we can congratulate ourselves, I think, that we have had a substantial surplus so far for this year; because if we had not had a surplus we would have been obliged to borrow additional new money to the tune of $300 million to finance housing, the C.N.R., and other government loans and investments, and another $200 million to meet maturing debt, or $500 million in all.

Those who know something about the bond market will realize that the marketing of an additional $500 million of new bonds during recent months would have had to take one or the other of two forms. Since there is no pool of idle savings in Canada, the sale of $500 million of Canadian federal government securities would have diverted an equivalent amount of savings away from private investment in housing, in municipal improvements, in hydro, or in oil or iron developments and the like. If there had been that much less private capital investment, obviously we would have had less employment, less imports, less revenue and a much smaller budgetary surplus. That would have been one way to get $500 million.

Alternatively we could have borrowed $500 million from the banking system. But that would have been straight inflationary financing under existing conditions; and I well remember the strong disapproval voiced by the hon. member for Greenwood (Mr. Macdonnell) in August of last year when, for good and sufficient reasons, we temporarily financed a $200 million inflow of United States funds by borrowing $200 million from the banks.

So that our current surplus has been, in part, a reflection of inflationary pressure. But had we had no surplus the effects of those pressures on price levels would have been very much more startling than they have been.

Those who may have taken the trouble to examine the details of the public accounts will have noticed that there have been only two successions of years since confederation when we have significantly reduced our public debt. The first was after world war I, in the period 1923-29, when during most of that time my predecessor Mr. Robb was minister of finance. We had a succession of surpluses during those years totalling $276 million. Those surpluses equalled about 10 per cent of our revenue in those years, and during that period of time we reduced our debt by about 11 per cent from its peak.

The second period during which we have reduced our debt has been the years commencing with 1947, since your humble servant has been Minister of Finance. In those five years we have had surpluses averaging about $375 million a year, or about 13 per cent of our revenue in those years. Those were the most prosperous years in Canada's history, and if one is ever to achieve any reduction in the national debt, then surely it is wise to do so during a period of prosperity.

As a matter of fact, as of last March we had reduced our net debt by about $2 billion or approximately 15 per cent, during the period to which I have referred. The hon. member for Lake Centre (Mr. Diefenbaker) has referred to existing taxation, and made reference in particular to the additional taxes imposed on tobacco. I am not going to deal in detail with the various suggestions he has made concerning reductions in this tax. I wish to say this, that as a general rule I think it is desirable that tax changes should be made once a year. It is extremely embarrassing for the business community to be in a period of uncertainty, wondering whether commodity taxes in particular are going to go off or go on at varying periods of the year. I departed from that principle on two occasions, one of which was at the beginning of the war in Korea and the second when we dissolved prior to the passing of a budget. But, speaking generally and referring to the general principle, I think it is undesirable that tax changes should be made more often than once a year, and I have no intention of recommending any changes in the tax structure until the budget presentation next spring.

The tobacco tax is a tax imposed for revenue. It is not imposed to prevent people from smoking. My hon. friend has rightly pointed out that, in respect of commodity taxes, as in other things, one can run into the law of diminishing return. The question of the tobacco tax, as in the case of all other taxes, will be considered between now and the

presentation of the budget next spring. If it is desirable at that time to make any change, that change will be made. But I would caution hon. members against jumping to too quick conclusions about the effect of the additional tax. Unquestionably the consumption of cigarettes in particular is down. That is probably due in part to the increase in tax, in part to the increase in price made by the manufacturers of cigarettes, and in part to the accumulation of inventories prior to the budget, both because it was felt that the tax might be raised, as indeed was the case, and also because in the case of one large producer labour troubles were anticipated and later developed.

Mr. Fraser: And smuggling.

Mr. Abbott: The question of smuggling is a very important one. I agree with the hon. member for Lake Centre (Mr. Diefenbaker) that when a tax or any other impost is pushed to the point where there is too great an incentive to break the law, then that situation should be pretty carefully considered. I can assure him and other hon. members that, between now and budget time, revenue officials will do their best to see that smuggling is kept down to a minimum.

That is the picture. I have nothing for which to apologize in my budget of last year. I have said fully and frankly that revenues have exceeded my expectations. But in the light of the responsibilities we have before us, and in the light of the inflationary pressures which exist today, I take pride in the results which have been achieved. And so far as I am concerned I am quite prepared to leave the verdict to time.

If one travels outside Canada, as I and a good many hon. members have, I am sure they will find, as I did, that Canada's record in the fiscal and economic sphere is considered as one which, without indulging in any overstatement, compares very favourably with that of any other country. Therefore, I deny, Mr. Speaker, that there has been any overtaxation of the Canadian people, and I am quite prepared to stand by the fiscal proposals I made last April. When next March or April comes we will see then what has to be done.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before I comment on the new subamendment, and before I make reference to a further matter which I wish to discuss, perhaps I might be permitted to offer a comment on the position you have taken, sir, with respect to the subamendment of the hon. member for Lake Centre (Mr. Diefenbaker). As I listened to you it seemed to me that you said quite clearly two things. In the first place, you expressed the view that this subamendment would have been more in order as an amendment to the main motion as amended, when we reach that stage. With that I fully agree. But you also expressed the view that since the same practical result is obtained by deciding now whether or not this additional regret is to be added, it might be just as well for the house to give its decision now on the substance of the matter, rather than to have a long debate on procedure.

I agree with your judgment and your wisdom in that matter; and I offer as evidence in support of the position you have taken the fact that the record of the decision to which you called the attention of the house, namely that of Mr. Speaker Lemieux on June 26, 1926, occupies twenty full pages in Beauchesne's third edition. That is to say, it took twenty pages to record the important parts of the debate on that point of order and the Speaker's decision. In other words, had we at this time got into a debate as to the propriety or otherwise of the subamendment, we might have had to amend the hours of sitting still further in order to finish this session's business before Christmas.

Perhaps while I am saying a word about this decision I might point out that although we were interested in your reference to Mr. Woodsworth, the point of order did not relate to Mr. Woodsworth's subamendment itself. Mr. Woodsworth's subamendment to Mr. Stevens' amendment apparently was not questioned but was defeated by a vote of 117 to 115. Then there was a subamendment by Mr. Fansher which carried, and then there was a later attempt to move another subamendment at a point corresponding to the point at which we now find ourselves. That was made by Mr. Rinfret and a long procedural argument developed. Mr. Speaker Lemieux finally ruled in favour of Mr. Rinfret's subamendment. So far, that would seem to indicate that there might be propriety in the subamendment being moved at this time.

On the other hand, and this is rather unique, in Beauchesne's third edition at page 630 we find in small print at the end of that long recital a letter to Dr. Beauchesne written by T. Lonsdale Webster, who was then Clerk of the British House of Commons. This was in reply to an inquiry which it appears Dr. Beauchesne had sent to Mr. Webster, and it would seem from Mr. Webster's reply that he had some doubt about Mr. Speaker Lemieux's ruling. I note with interest the last sentence of Mr. Webster's letter, which reads:

> So far as Mr. Rinfret differed from Mr. Woodsworth, he should, I think, have moved amendments by way of additions to Mr. Stevens' amendment when that amendment became the substantive question.

I shall not add to the confusion, as I think I have demonstrated my point with these few references. Had Your Honour decided to entertain a procedural debate as to whether or not this subamendment is in order at this time we would have been here for quite a while. After all, at some point or other, either now or later, an amendment of this kind would be in order, and I think it is well that the house be given an opportunity to decide on the substance of the amendment which has been moved by the hon. member for Lake Centre (Mr. Diefenbaker), and that is what you, sir, have done.

I listened with interest to the remarks of the hon. member for Lake Centre and I listened also with interest and attention to the Minister of Finance (Mr. Abbott) when he tried to answer the charge, both in the hon. member's speech and in the amendment, that there is unnecessary taxation in this country at the present time. Despite all the figures he produced, despite the reference to the way in which money comes in at one time of the year more heavily than at another, frankly I could not see that the Minister of Finance was able to offset the fact that the present rates of taxation are taking from the Canadian people sums of money greatly in excess of what is really needed, and at a time when our people are having an exceedingly difficult time to meet the still rising cost of living.

At the end of his remarks the Minister of Finance indicated what he believed to be the principle to be followed in matters of taxation. If I heard him correctly he said he believed that as a general rule there should be tax changes only once a year. I want to say that the Minister of Finance and the government have another rule regarding tax changes. That rule is that there are to be tax reductions only once a parliament, and the time for those tax reductions is just before an election.

The Minister of Finance referred to this himself when he gave the exceptions to the rule of making tax changes only once a year. He said there had been two occasions when he had broken that rule, one being when taxes were increased because of the situation in Korea and the other, as he put it, in that interesting year of 1949 when parliament was dissolved before the budget was adopted. For a few years prior to 1949 the practice was to build up surpluses. That was part of the government's theory of cyclical budgeting. Suddenly when we were on the eve of an election that theory was thrown out the window and it was considered desirable to give the Canadian people substantial reductions in taxation just before an election.

We are back in the same cycle again. It would be interesting to find out just what point in the cycle we have reached. The government is still building up surpluses. Of course nothing is more risky in the political field than to make predictions, but I shall make the prediction that these surpluses will continue to mount until the eve of the next election. On the eve of the next election these surpluses will be used to bring about reductions in taxation.

When the minister brings down his budget in March or April of next spring, if there are substantial tax reductions because of this huge surplus to which attention has been drawn we will all know what it means. It will mean an election in June, 1952. If next year the Minister of Finance in his budget speech continues to assert his belief in the desirability of draining off these surpluses so as to pay off more of the national debt, we will know that the election is not yet.

Mr. Abbott: I may fool you.

Mr. Knowles: It will be very interesting to see what happens, but I believe the rule will hold so far as this government is concerned, that taxation changes should be made only once a year and taxation reductions are to be made only once a parliament, and that just before a general election.

The subject about which I wish to have something to say at this time is not unrelated to the fact that the government has quite a pool of money on hand just now, but it is a little different in nature. I refer to the plight of the retired pensioners of Canadian National Railways. This is a matter which some of us have raised on several occasions this session by means of questions on the orders of the day. We have asked whether the Minister of Transport (Mr. Chevrier) would soon be in a position to announce general changes in the pension structure of Canadian National Railways. In particular we have asked whether there would be any increase in the pensions of Canadian National employees already retired.

Thus far the only answer we have been able to get from the Minister of Transport is to the effect that he has not yet been advised as to what is the situation, but when he does get that information he will communicate it to the house. Let me read the answer he gave on one occasion which in substance is the same as the answer he has given every time. When the minister was

replying to a question of mine on November 15 he said, as reported on page 1044 of *Hansard*:

> I can only reply to that, as has already been stated in the house, that Canadian National Railways pension rules are now under reconsideration, and my understanding is that the brotherhoods and the railways are discussing changes in the pension rules. I have not been advised what they are; but when I am, I should be in a postiion to give information to the house.

I emphasize the word "information". That is what the Minister of Transport has indicated he might be in position to give to the house this session. Information is sufficient if it is the right information, but I wish to point out that in my view the responsibility of the Minister of Transport and of the government goes further than the desirability of imparting information to this house.

I base that claim on certain statements that were made at the last session of parliament by the minister. He and others will remember that we had quite a series of debates here and elsewhere on the question of Canadian National pensions during the last session of parliament. Those in the house who took part in that debate were the Minister of Transport, on the government side, and the hon. member for Lake Centre (Mr. Diefenbaker) and I in the main on this side of the house. In addition to the discussions we had in the house there was a discussion of the whole question in the special committee on railways and shipping owned, operated and controlled by the government. One of the features of the discussion in the committee, and later in the house, was a certain letter which had been addressed jointly to the hon. member for Lake Centre (Mr. Diefenbaker) and myself by a trade union official on behalf of some of the interested employees. Copies of that letter were sent to the Minister of Transport (Mr. Chevrier) and to the president of the Canadian National Railways. It was thought by them that the letter was a suggestion to us that we should not be pressing this matter too much in parliament. I want to come back to that in a moment. I point out to the minister and to others that I now have before me a copy of a further letter written by the same Mr. A. A. Hutchinson, who is general chairman of the order of railroad telegraphers, urging the Canadian National employees affected to get in touch with their members of parliament and to get them to put pressure upon the government here in the house.

Mr. Diefenbaker: What is the date of that letter?

[Mr. Knowles.]

Mr. Knowles: The date of this letter is October 3, 1951. It is included in a mimeographed circular letter sent out by the general chairman of the brotherhood of railroad trainmen. It is a very interesting letter of three full pages which goes into the whole question of what is likely to happen with respect to Canadian National pensions. In the letter Mr. Hutchinson says, in reply to retired C.N.R. pensioners who are pleading for some adjustment of their position, that there was a meeting of the vice-presidents with the general chairmen and that certain recommendations were made to the C.N.R. board of directors which were considered at their January meeting. Then he says:

> We have no official information as to what was recommended but unofficially we do understand that the board did make certain recommendations in regard to changes which would have been beneficial and these recommendations were submitted to the Hon. Mr. Chevrier, Minister of Transport, for government approval.

Then there is another paragraph comparing the position of the Canadian Pacific Railway with its responsibility to its shareholders and that of Canadian National Railways with its responsibility to parliament. Then there follows this paragraph:

> We understand that the government refused to give approval to the recommendation of the board of directors and gave as the reason that "it would be contrary to declared public policy" as set out in a press release dated January 23, 1948 . . .

And so on. At the last session the Minister of Transport and the president of Canadian National Railways accepted Mr. Hutchinson as an unqualified authority, and I did not object to their doing so. The point I wish to make at this juncture is that it appears from Mr. Hutchinson's letter, which, as I say, is being widely circulated amongst Canadian National retired employees who are concerned about their plight, that the Canadian National board of directors did make a recommendation that something be done with respect to the plight of retired C.N.R. pensioners. But it is also clear from Mr. Hutchinson's letter that so far as they can ascertain the recommendation made by the C.N.R. board of directors was turned down by the government.

Therefore, as I said a few moments ago, the Minister of Transport and the government have a greater responsibility than merely that of imparting information to this house. The minister is not just an errand boy to tell us what the Canadian National has decided. The minister is the person who, with his colleagues in the government, makes the final decision as to whether or not anything is to be done on behalf of retired C.N.R. employees. I remind the Minister of Transport that he took that position in the house

last April 27 when we were debating this whole question. I am looking at page 2459 of *Hansard* for that date, and I note that he said:

> This is first and foremost a matter for Canadian National Railways and its employees to decide, and that is exactly what Mr. Hutchinson says. That is exactly as it should be, because parliament has authorized the Canadian National Railways management to deal with problems such as this.

I agree it is first and foremost a C.N.R. matter, to be settled with the employees, but the Minister of Transport went on to say:

> But if it turns out that they are unable to deal with their employees and they make representations to the government with reference to the matters to which my hon. friends have referred, then I think it is not only the duty but the responsibility of the government to decide whether or not it will revise upwards or take no action with reference to this problem. Therefore I say, putting it in its proper light, that this is a matter which is now under discussion between the authorities of the Canadian National Railways and its employees. It is being given careful consideration by a joint committee of the employees and the officers. I think, as the letter states, we should at least give the committee a chance to see what it is possible to do. If they are not successful in dealing with it, then I think it will be the responsibility of the government if Canadian National Railways should decide to recommend to the government a plan upon which both will have agreed, or an alternative plan in case both cannot agree.

I agree with the position the minister took last April, namely, that the people to deal with this matter first of all are the railways on the one hand and the employees on the other. But the minister also said last April that if the railways come forward with a recommendation it is the government's responsibility to decide what to do with it. He also said if the railways and the employees cannot get together then it is the government's responsibility to make up its mind what is to be done in that situation. The reference of the Minister of Transport to a letter in the quotation I have just read is a reference to the letter from Mr. Hutchinson who at that time took the view that at that stage of the game this was a matter to be worked out between the employees and the company.

Now Mr. Hutchinson says in the further letter to which I have referred that the information which has come to them is that, whatever may be done with regard to changes in the basic plan, there is nothing in prospect by way of any increase or adjustment for C.N.R. employees who are already retired. Mr. Hutchinson says that in a further paragraph in his latest letter:

> We have been and still are proceeding to revise the pension rules and expect to have a new set of rules to put into effect soon, probably January 1, 1952, but these new rules will only apply to future pensions and will do nothing for those who go on pension before they take effect.

The same Mr. Hutchinson who was quoted by the minister and the president last April sees what these retired employees are up against, and he goes on to say:

> I feel quite sure that if C.N.R. pensioners are to get any consideration, other than that which is being given generally under bill 395—

That was last session's old age assistance bill.

> —that such consideration must be given by the government of Canada in its role as shareholder of the Canadian National Railways, and if your veterans associations are to accomplish any good I believe you will have to work through members of parliament who have influence with the government rather than through C.N.R. officials who do not seem to be able to apply their wishes to the problem. If the general chairmen's association can be of assistance we will be glad to do so but about all we could do would be to add the weight of our appeal to the members of parliament to your own appeals, as our appeals to the C.N.R. on your behalf have met with failure on account of government opposition.

That letter is signed by A. A. Hutchinson, representing the general chairmen's association in respect of pension matters. Mr. Hutchinson was regarded at the last session, I thought erroneously, as the government's chief witness in this whole matter. I regarded him as our witness, and now the matter is clear. There is the way Mr. Hutchinson now sees the position. He affirms that something should be done with regard to the basic pension plan so far as those still in the service are concerned. But, he says: "Despite our best efforts we could get nowhere by way of getting any changes for those who are already retired. We thought we had made headway with the board of directors, but that board has run into government opposition and so the only way you are going to get anywhere by way of any change is by persuading the government that something should be done for those men who are already retired". It is for that reason, Mr. Speaker, before this debate on the address in reply to the speech from the throne comes to an end, I feel that I want to put this matter squarely up to the government and the Minister of Transport (Mr. Chevrier). I regret that the minister is not in his place. No doubt he is engaged in something that prevents him from being here. Just for the record I want to say that I did send him a note about an hour ago to the effect that I intended to raise this matter if I was able to get the floor. Nevertheless I hope that he will read these remarks and that he will take them into consideration. I have noted his positive statement across the floor of the house that as soon as he gets information as to what the Canadian National is going to do he will impart it to the house. Well, from Mr. Hutchinson's letter it would appear that that information is not going to be very helpful to those now retired. My fear is that

we will not get that report until a day or two after parliament has prorogued. That often happens with respect to statements that are unsatisfactory. After we have gone home, and can no longer say anything about it here, an announcement is made. I hope that will not happen this time. Let us have the announcement now.

I have put these figures on the record so often I certainly should not do it again in any detail; but in passing may I just refer to figures that were placed upon *Hansard* on March 12, 1951, at pages 1129 to 1131, respecting Canadian National pensions. These figures were given in answer to questions that I had placed on the order paper. Just to pick out a couple of examples, they show that as at that date last spring 3,256 Canadian National pensioners were drawing a pension of only $25 a month. They also show that a total of 7,269 pensioners of the Canadian National Railways were drawing a pension of less than $40 a month.

One of the suggestions that has been made frequently when this debate has come up is that these people would get some assistance, some improvement in their position, when the old age pension legislation was sorted out, including old age security for those 70 and over and old age assistance for those between 65 and 69. Well, the old age assistance provided for those between 65 and 69 is really of no help to these people who already have a little something. The means test is there, and these men who have even a small pension from the Canadian National Railways will in most cases be precluded by that small pension from drawing old age assistance. So far as old age security improving the pension position of those 70 and over is concerned, I want to say I do not think that the government, or any other employer in this country, public or private, should use the fact that there is old age security as an excuse for crawling out from under its responsibilities to its retired employees. This is a responsibility which still rests on the employers of these people. The employer is the Canadian National Railways which the people of Canada own, and which is administered under the direction of the parliament of Canada. These are our employees, and our responsibilities to them are such that I do not feel we can continue to allow 3,256 of them to draw as their industrial pension only $25 a month, nor can we allow 7,269 of them to draw pensions from the railways, for whom they have worked, of less than $40 a month. This is a question separate from old age pensions. It stands on its own feet, and I insist that the federal government has a responsibility to deal with it properly.

[Mr. Knowles.]

As I say, prior to the circulation of this last letter by Mr. Hutchinson, some of us had ideas as to what was happening; but we did not have the evidence in black and white. But now Mr. Hutchinson says it is quite clear what has happened. The Canadian National Railways was prepared to do something for its retired employees, those already on small pensions, but any recommendation they made, whatever it was, says Mr. Hutchinson of the general chairmen's association, has been turned down by the government. And says he, "We, your trade union representatives, in our efforts on behalf of the retired employees have run into government opposition." Therefore, Mr. Speaker, I have raised the matter here to put the responsibility clearly where it now belongs, namely on this government and on the Minister of Transport who must be responsible for any recommendations in this field. It is not good enough to leave those pensions at those figures. That basic pension should be increased. It should be certainly a good deal more than $25 a month. Last spring when we were debating this I suggested it should be $40 a month. The cost of living has gone up since then. I would suggest that $50 a month is a more reasonable figure for that basic Canadian National Railways pension at this time, apart from the service pension and any other provisions. If a change in that basic pension could be made, on the understanding that it would apply to those who are now retired, it would be meeting to some extent at least the responsibility of the government to those people; and I make the plea as strongly as I can to the minister and the government that they deal with this matter right now.

It would seem from the terms of Mr. Hutchinson's letter that an announcement may be made before January 1, 1952, which is not very far away, concerning basic changes in the structure of Canadian National pensions. Mr. Speaker, I think it would be a tragedy and most unfortunate if, when that announcement is made, nothing is said as to the position and the plight of those already retired, and I plead with the government to deal with this matter now so that any announcement which is made will include both groups. Let there be improvements for those still in the service; that too is most important. But right now it is imperative that there be an increase for those who are retired already, particularly those in the lower brackets.

I wish to say a few words in that same vein with respect to retired civil servants. As hon. members know this, too, is a question which I have raised a good many times. It, too, is a question which the Minister of

Finance and others have said should wait until we have dealt with old age assistance and old age security. With respect to these retired employees I want to say the same thing I have said with respect to Canadian National employees, namely that it is not right for any employer, be he a private employer, the federal government or any other government, to crawl out from under its responsibility to pay proper pensions to its employees merely because the Old Age Assistance Act and the Old Age Security Act are now on the statute books of this country.

The last figures that I had with respect to retired civil servants are contained in sessional paper 102-C, which was tabled on March 12, 1951, in response to questions of mine which were made an order for return on Monday, February 19, 1951. This return gives a good many figures and a good many different brackets, but to pick out the significant ones I would point out that at that time—in March of this year—there were 9,877 retired federal civil servants. Of those 9,877 some 1,478 were receiving pensions of $39.99 a month or less. In addition there were 4,677 widows of retired civil servants drawing pensions provided by statute. Of those 4,677 considerably more than half, 2,647 to be exact, were drawing pensions of $39.99 a month or less. In other words, in both cases these are the numbers drawing pensions of less than $40 a month.

As hon. members and the Minister of Finance well know, this matter has been brought to their attention repeatedly. I have in my hand a copy of the correspondence exchanged recently between the association of superannuated civil servants at Toronto and the Minister of Finance. The letter to the minister contains a reference to the sympathy which the minister expressed for these people the last time a delegation met him, so the minister replied on October 11, 1951, that he still had that sympathy but he felt the retired civil servants should look for such improvement as they might want to the Old Age Assistance Act and the Old Age Security Act. Again, Mr. Speaker, we have here an example of an employer doing something which I believe is totally wrong, that is, crawling out from under his own responsibilities by virtue of a public statute.

I am sure that if the Minister of National Health and Welfare (Mr. Martin) were to hear of any private employer doing anything like that because of the Old Age Security Act he would frown upon it. He would say that this pension, small enough as it is, is being given to everyone on a national basis, and does not take the place of the responsibility of a private employer. I suggest that that applies to the federal government as well. It is not good enough to tell these faithful servants of the federal government who are on these low pensions that the only supplement they can have is the means test pension between 65 and 69 if their income is low enough, or the pension which everyone receives at 70 years of age or over. There is a distinct responsibility there which has not yet been met. I plead with the government to give consideration to it.

There are other matters, Mr. Speaker, which occur to one at this time. Perhaps the way this debate is going this is not the last stage of this throne speech debate, so I shall leave the matter at that point. It seems to me, however, that His Excellency the Governor General will be glad his term was extended for an additional period of time so that he will be able when he leaves Canada to take away with him a unique address. As the hon. member for Lake Centre (Mr. Diefenbaker) has pointed out, if the amendment as amended by the hon. member for The Battlefords (Mr. Bater) is voted for when we reach that stage, it means that the address to be delivered to the governor general on this occasion will be an address which says, "Thank you very much, sir, for your speech. It was lovely, but —." It will be an interesting point for historians to discuss in the future, as to whether the amended address was a vote of confidence or not. It will be recognized, of course, that it was just a bit of a trick, really, to get around the necessity of voting on the amendment which was put forward by my colleague the hon. member for Assiniboia (Mr. Argue). However, at the moment we have before us the amendment of the hon. member for Lake Centre and I am glad the house will have an opportunity of voting upon the substance of that subamendment, dealing as it does with burdensome and unnecessary taxation.

Mr. E. T. Applewhaite (Skeena): The hon. member who has just spoken will forgive me, I know, if I make no effort to follow directly his line of thought. I realize quite well that anyone who delays the house in this debate at this stage in the session is most certainly not going to add to his personal popularity with this house. Nevertheless I intend to take advantage of the opportunity presented by this debate to say a few words about my recent visit to Canada's fighting forces in the Far East. I believe I should do this, because I realize that when the opportunity came my way to accompany the Minister of Fisheries (Mr. Mayhew) on his trip to Korea, it was not accorded to me as an individual but as a member of this house. I feel, therefore, that anything I may have learned or any

impressions I have gained should be given to this house and I would hope through this house to the country.

Let me assure hon. members that I am not going to discuss strategy in our conduct of the war. I do not feel qualified to talk on that subject. But I do feel qualified to say something about our men over there, having visited and talked with several hundred of them under actual battle conditions. I have a few notes here, but what I am going to give the house is a rambling account of our visit to these men and the impressions I gained from that visit. May I take a moment to tell hon. members that if at any time they are considering trying to find a travel companion for a visit to a battle area, they could look a long way before they would find a better one than the Minister of Fisheries. They will find that there is no terrain too difficult for him to cover; that there is no interesting spot which he will overlook; no person with whom one might converse with whom he will miss an opportunity to converse. But I should like to tell the house that he has one definite disadvantage in that he has an almost fatal attraction for enemy shellfire.

Our first contact with the forces was with the air force, who provided our transportation for the four days during which we travelled. I felt a little doubtful about the justification of some half dozen men and an airplane being tied up in order to take us around. I believe, Mr. Speaker, that we accomplished a little practical good even there. The personnel of this aircraft remained with us throughout our visit to the various units, and had an opportunity of meeting some of the navy and seeing some of the army under actual battle conditions. Two or three of these men told me that they had a much higher opinion of the surface fighter than they had before they actually saw the army and navy under battle conditions.

As the house knows, in that part of the world our air force is restricted almost entirely to the transport command. It would hardly be correct, therefore, to say that we saw the airmen under battle conditions. But I must say it was impossible to spend four days with these men, more or less dependent upon them, without coming away with the usual impression with which one always leaves the air force. The first impression is the extreme efficiency with which they carry out all their duties, and the second one is the extraordinary courtesy which they always manage to show civilians, when I am sure there are many times they could wish the civilians much farther away.

Our first actual visit was to the navy, and I do not know whether I should mention the port in eastern Japan. We were fortunate enough to find two of our destroyers moored alongside each other, and I am told I might mention them by name, the *Cayuga* and the *Sioux*. We arrived there late at night and slept aboard. The following morning the ships' companies were assembled in the waists of the ships and the minister and I were able to speak to the men briefly over the public address system of both ships at the same time. This is another example of those discomforts, I suppose, which our men on active service undergo. After we had spoken over the P.A. system the men on both ships went to their mess decks and the officers went to their wardrooms; and escorted only by boatswains, we were able to visit the men in their mess decks. In other words there was not a commissioned officer around; the men could talk frankly and freely, and they did so.

Naturally the first thing one was looking for was evidence of morale. There had been so much talk about morale that I suppose it would be the first thing in the mind of any civilian who visited any of our forces in the Far East. All one can say about the morale of the navy—that part of the navy which is under actual fighting conditions at all times—is that it is absolutely tops and could not be improved upon. It is no exaggeration at all to say that the general atmosphere exuded by all the men aboard the ships was one of cheerfulness; and that was not something that was put on. They were naturally cheery fellows. When they had suggestions to make—and they had some—or personal "beefs" to bring forward, they always brought them forward with a bit of a sense of humour. They usually made a joke of even their complaints.

I asked about their mail. Their mail is coming through regularly and speedily. They told us to tell the people in Canada that there was only one trouble with the mail, and that was that they were not getting enough of it. I hope that thought may be passed on and given as wide circulation as possible. We talked about their supply of reading matter. They told me that they were well supplied with reading matter but—and this might surprise some hon. members—they said they could do with a little better diet than a constant one of "whodunits". I would not suggest to the people of Canada that they fill up our ships with Shakespeare or the Encyclopedia Britannica, but I would suggest that our men in the navy would like some of the better and more serious reading matter which is available in Canada.

Then they had a bit of a "beef"; it was not virulent, but they brought it to me several times. There had been considerable sug-

gestion in Canada at one time or another that ours was largely a dry land navy. Shorn of its picturesque naval language, what these men asked me to do when I got back to Canada was to tell the people this: We have been at sea for 29 days out of every 30 since we came out here, and on the thirtieth day when we get on shore we are back on board ship at eleven o'clock at night—for reasons which are good, considering the nature of the port they are in. Your navy out there is a navy in every sense of the word.

In order that there might be no discrimination, we visited the wardrooms as well as the mess decks and, as this house would expect me to say, we found the officers on both ships to be an outstanding group of efficient, keen young Canadians. Doubtless it was because they are of that type that the morale amongst their men was so high. So after a short visit, which was only a matter of hours in duration, one comes away with the positive conviction that, so far as Canada's navy in the Far East is concerned, they are doing a worth-while, difficult and dangerous job and are doing it well; that the men are in good health and good spirits, and that they are not suffering from the lack of things which we might be providing for them but are not.

Naturally from my point of view, and I suppose from that of anyone else, the big thrill was to visit the forces actually in Korea. In so far as Korea is concerned, this is not a travelogue. I am going to pass up any description I might be tempted to give of the country, of the damage and of the appalling poverty which is evident there amongst the civilians, except just to refer in passing to the part Canada is taking in the relief of the Korean civilians. Mr. Speaker, it is a part as to which we may feel justifiable pride. That our contribution was the first cash contribution to that service is a fact of which we may feel extremely proud.

I should like to warn this house that the time is going to come before long when a great deal more will be needed than is being done at the present time. When that time comes, Canada should not hesitate to do much more. I know the conditions there are really appallingly tragic. For immediate relief UNCACK—the United Nations civil assistance commission in Korea—which is operating under the supervision of the United States forces is doing a fine job. It is doing as much, I suppose, as any such organization could do under present conditions to meet the poverty, the cold and the distress. It is getting to nearly all but not quite all those who need its attention. That brings to mind the fact that some stories were circulated—inspired, I think, in this country at one time—of the callous Canadian troops in Korea, of the brutal attitude adopted by the troops of Canada towards the civilians in Korea.

Let me tell you a little story which came to my attention while I was there. At Seoul we have a field dressing station in a former school building. Near that field dressing station is a Korean orphanage. To the horror of the Canadians serving in the field dressing station it was found that not long ago two small children in this orphanage died of exposure. As from that moment, to the extent that they can do so, the staff of our field dressing station are providing medical services at that orphanage, and the personnel of our Canadian army have dug up out of their own pockets $1,000 for relief and comfort for that orphanage. That shows that they are not callous or inconsiderate towards civilians. I ran into other incidents, but time will not allow me to go into them in detail. I can tell hon. members of this house quite genuinely that they can be just as proud of the character of their forces as of their fighting qualities.

In that connection I think we at home should consider carefully and tenderly the necessary monotony and discomfort experienced by those who have to serve behind the lines. While we think, quite rightly, of the heroism and sometimes the suffering of those in the actual forces, let us not forget the fact that conditions are extremely unpleasant, and they must be hard, for those who serve behind the lines in Korea without the stimulus—because it is a stimulus—of actual combat.

We visited the Canadian troops on the actual line north of the 38th parallel. Shortly after our arrival in that area we were taken by our brigade commander to an observation post on the top of a mountain almost, you might say, between the Canadian and Chinese lines, where for some two hours or more we were able to watch what was going on while the locations of the various Canadian units were pointed out to us; and while we were safe in a slit trench up to our necks we watched the effect of the artillery from both sides of the line, as well as tank fire from some of the Canadian tanks. We were there. We could hear the colonel or other observation officer transmitting back to the guns or to the tanks the actual location upon which the fire was to be directed. Then we could see, almost immediately, the fire being directed on those locations. We had good reason to see for ourselves and to appreciate the efficiency, accuracy and speed of the Canadian artillery and tank fire—and, I might mention, that of the enemy as well.

We then went back to those guns, and to some of the tanks, and saw the same performance in reverse. We were back at the guns when the instructions from the observation post came in. We saw the speed and efficiency with which the orders were handled, how the gunsights were corrected by some mathematical process which remains a mystery to me. In a matter of seconds there was the report back from the observation post as to where the fire had landed.

It was shortly after that, on our first day in the battle area that, due to the fact that the Chinese also have some pretty good artillery, and that our brigade commander had things to think of other than civilians in his hair, we were sent back some five miles to an area of comparative safety. But on the following day we returned to the front lines. It was then we had the privilege of meeting the Canadian infantry. We visited two out of three of the units in the advanced position. I am told that I may mention them by name. They were the R.C.R.'s and the Van Doos. Both these regiments were visited in their extreme forward positions, just at the back of the hills facing the enemy. The forward position of the P.P.C.L.I. we were unable to go to, due to the heavy artillery fire at the time.

We spent between one and a half and two hours with each of the infantry units, meeting every officer and man on the hill with the exception of those who were actually engaged in keeping their eyes on what the Chinese were doing. We went back farther to visit an advanced dressing station; and I would like to mention this advanced dressing station, because I think it would be of interest to hon. members. It had been moved forward to its then position only five days before. The station consisted entirely of tents. It was completely manned by army personnel; there were no nurses that far forward. This dressing station was a model of spotless cleanliness and quiet efficiency. If one had to be treated for wounds or illness out in the barrens of Korea, I doubt if anything could be put up which would give a greater feeling of confidence than that advanced dressing station being maintained some few hundred yards behind the Canadian lines. That, of course, is the second point for casualties. We did not get forward to the casualty clearing post right at the front line.

Near the advanced dressing station we visited the first rear echelon, "A" echelon of the R.C.R.'s. I should like to describe that camp briefly. It is known as Peterson's paradise, and is entirely a unit affair. As fast and as regularly as conditions allow the men of this unit are brought back from the front. This occurs roughly at ten-day intervals. They are brought to this echelon for a twelve-hour stay. There they have a hot shower bath; every stitch of clothing is taken away and replaced, not by new but by clean underwear and pressed uniforms. They have in the camp—and I do not know where they got them—a Korean barber and a Korean bootblack. A man who comes in has his bath, gets a fresh uniform, a shave and has his shoes shined and buttons polished, and for at least twelve hours out of the ten or twelve days he is a clean citizen again. There are picture shows running almost continuously. They have a certain amount of sports equipment, a softball field, and so on.

I find it difficult to imagine anything more that could be provided, within the range of enemy guns, than is being provided at "A" echelon of the R.C.R. battalion. I had the idea when I went there with a cabinet minister that, so far as possible, I would let the minister talk to the officers, the top brass, and I would try to circulate among the other ranks. I started out on that theory and to a considerable extent it was effective. The only point was that before I had been there very long I always found the minister also down among the other ranks.

The point I am trying to make is that I talked with as many as possible of the men we have out there. I did not know their names, and did not want to know them. They could talk to me absolutely without danger of being quoted. I wanted to find out what they thought, what they needed and what they wanted. I wanted to find out what their much-maligned morale really was. I found out.

Living conditions in the front line of a war can never be pleasant. Our infantrymen at the front are living on the tops of hills in Korea, in holes or tunnels from four to twelve feet deep, sand-bagged around the entrance, and deep enough—they believe and hope—to protect them from enemy mortar or shellfire other than a direct hit at the entrance. There they must live. There is nothing we can do about it, as long as we have men under wartime conditions. It is unfortunate that they must live under those conditions. Their bunkers or foxholes are reasonably warm. Fortunately, due to the terrain and the nature of the soil, there is no seepage. If the foxholes are well drained on the outside they can be dry on the inside. There is no mud on the walls or floors. They are clean, because the men who occupy them are clean and keep them clean. The water,

of course, is not safe to drink until it has been chemically treated. Under those conditions they live; yet they maintain a cheerfulness which, quite seriously, would put to shame most members of parliament at the end of a three months' session. One would almost think—almost—that these fellows were up there on a picnic. But one does not talk to them very long before he realizes that they know just how serious a picnic it is. They do not hesitate to accept the responsibility that goes with that kind of undertaking.

I asked about their mail. It comes through from Canada in approximately nine days. They say they could do with more of it. Their statement is that while their families write to them fairly regularly, other people do not. I wonder if it would not be too much to hope that, if I were to mention this fact here, it might be broadcast further; and could one hope that those people in Canada who went to school with some of the troops in Korea, or held a job alongside some of them, would sit down once in a while and drop a note to those fellows. Do not necessarily expect them to find the time to reply. News from home is the one thing that they really crave. Another suggestion I should like to make, and I hope some organization across Canada will take it up, is with particular reference to those men who come from the little towns and communities where the local paper is published perhaps once a week. Put the home town boy on the home town newspaper subscription list. That is the sort of news our men really want.

There is only one thing that is weakening or can weaken the morale of our troops in Korea, and that is to attack them. I make that statement most seriously after having talked to a great many of them. I say to the press and the public of this country that any form of utterance belittling the morale of our men at the front is the one thing calculated to reduce that morale. Those utterances, those cartoons, those little statements have got back to the men in Korea. I know that because literally dozens of them mentioned it to me. I would be ruled out of order if I repeated the expressions they used in mentioning it to me, but the fact is that some of these men were hurt in their feelings and thereby not at all assisted in their efficiency when they thought that we back here in Canada should doubt their morale or their ability to cope with the conditions under which they find themselves.

I checked up, because I wanted to know, the needs of the men in connection with smoking, and this reminds me of cigarettes. I must correct an impression which seems to have grown up. There are no Australian cigarettes issued to our men in Korea. Australian cigarettes are issued to our men in the hospital at Kure, to which I shall refer in a minute, and at the commonwealth relief camp or base in Tokyo, both of which are administered through the commonwealth by Australia. I do not want anything I may say to deter anyone from continuing to send cigarettes to the boys in Korea, because they can use them. But I can tell you that the minister and I went to Korea with our pockets full of Canadian cigarettes. For my part I had taken them from Canada thinking they would be a treat. I found they were a drug on the market, because in Korea our men are issued with United States cigarettes. Not only do they have the Canadian cigarettes sent to them from home, they have them when they get out because there are places at which Canadian cigarettes can be purchased.

I do not want to make this controversial, but it occurs to me that at one time there was a suggestion in Canada that we should have a commonwealth brigade. To some extent that is what we have. It is an entirely commonwealth brigade in so far as it draws its supplies entirely from Australia, including cigarettes.

While at the front I asked time after time what we in Canada were not doing that the men there thought we should be doing. It is surprising, but I could not get a positive reply. I made inquiries about mail and cigarettes, and found that both those items were coming through regularly. What I want this house to know is that I made no effort over there to whitewash this government or any branch of it. I simply wanted to find out so I could come back here and from a back bench tell the people of Canada what they were not doing and what should be done.

I have found it most difficult to find anything at all. That there are things, I do not doubt; and that they will come to our attention from time to time is a certainty, but there was no noticeable need for anything that I could find. That is why I would like the mothers and wives and relatives of our men in Korea to know, because it is the truth, that their men are in good health and good spirits. They are tough like good leather is tough, and they are proud of that toughness. They are the best fed army in the history of the world, and to that we must give due credit to the United States because it is through them that we draw our issues.

Their rations include free issues of soap, smokes, razor blades, chocolate bars and other items. In the way of advice to the people of Canada, I repeat the three needs so far as the men actually on the battleline are concerned: write often and not only to the members of your family; send them the home town newspapers; criticize the government or the department if you will, but do not appear to be criticizing them.

At the conclusion of our little visit to the front we returned to Seoul and there the Minister of Fisheries (Mr. Mayhew) was presented with a medal ribbon—I think it came from the neck of a bottle of some description—in token of his having spent twenty-four hours under fire in Korea. I should like the Minister of National Defence (Mr. Claxton) to bear in mind that when that ribbon was presented we were assured by the senior officers of the Canadian army that it was the only truly Canadian medal ribbon so far available indicating service in Korea. I am sure the minister will see that the condition is remedied before very long.

We also visited at Kure the British commonwealth overseas forces 29th general hospital. As our time was running short, the minister and I separated, and I visited this hospital alone. I had seen what we were doing in the way of temporary quarters in an old school at Seoul, and so had great pleasure in visiting this hospital at Kure. This had been built some years ago by the Japanese as a hospital so we started with a hospital building to go into. In general terms the casualties sent to this hospital are those whom it is expected will not be able to go back to their unit within fourteen days. In other words they are going to be hospitalized for fourteen days or more. Some are not sent to Kure for special reasons; they are flown to Tokyo, Honolulu or elsewhere. There were well over one hundred Canadian patients at the Kure hospital when I was there. There were two Canadian doctors and six or eight Canadian nurses on the staff. It is a truly commonwealth hospital staffed by Australians, people from the United Kingdom and Canadians. I would say that there, as in other places in the Far Eastern theatre, there is great room for more Canadian doctors and nurses. I talked individually to over one hundred Canadians in that hospital. Part of the time I was taken around by a Canadian doctor and part of the time by the matron, who is a Canadian. We stopped at the bed of every person who had a Canadian unit identification hung on the foot of his bed and I had a little chat with each one.

There were a few sad cases. It is perhaps no comfort to know that there must be cases of that description in any war. You cannot have a war without having some unpleasant and serious casualties. There were a few cases in that hospital which drew me up pretty short in my tracks for a few minutes, but I am glad to say that over 90 per cent of those in the hospital at that time will completely recover with no visible major maiming. Not all were battle casualties. There was a considerable proportion of accidental casualties, and some illness, although very, very little when you consider the conditions under which these people had been living.

Here again came up the question of morale. With the exception of the few cases to which I have referred the hospital was a cheerful, cheery place, and I am referring to the attitude of the patients. I asked them my old question: What are we not doing for you that we should do? I could get no positive reply, but people here may be interested in knowing the two questions asked me most often by Canadian patients in that hospital. The first was: Who is the leading contender for the Grey cup, and the second was: What is the weather like back home? These are the things about which these men are thinking. Their mail is coming through well and they are well supplied with cigarettes and reading matter.

I asked one fellow: "How are you making out"? He said, "All right. Why the so-and-so wouldn't we be? We have Canadian nurses." I should like other Canadian nurses to remember that, because I think we could use more of them. I want to tell you of one case, a lad with a broken elbow and other arm injuries caused by shrapnel. He was a young fellow from Montreal. He asked me what the weather was like in Montreal when I left Canada. I told him as best I knew and made some inane remark such as: "I suppose you are hoping soon to see it for yourself". He said: "Oh, no. I was only up on the hill for thirty-six hours when I stopped this one. I do not want to go home yet. We have a job to do." And there are people in Canada who have dared to talk about the low morale of the Canadian forces!

The hospital draws its supplies through the Australians, and as many of us know the Australians lean heavily to mutton. I was a little worried in chatting to one fellow who was flat on his back. He was giving me a long line of criticism about the endless diet of mutton. I thought he really had a genuine complaint until I suddenly discovered he had finally got a rise out of the man in the next bed, who was an Australian. That was typical of the hospital. The patients would kid back and forth among themselves. If they had a serious complaint they turned it into a joke.

You learn one or two lessons, or think you do, from a trip of that sort. Hon. members may recall that when this debate first started we had an eloquent speech by the hon. member for Beauharnois (Mr. Cauchon) in which he referred to national unity. I should like to tell the hon. member that if he wants to see national unity he should go to the battlefields of Korea and see the Royal Canadian Regiment, the Princess Patricia's and the Van Doos side by side. He should see them side by side in hospital beds at Kure. I can assure him that none of them care a bit whether a man first learned from his mother to speak French, English with a Scotch brogue, or Ukrainian and then came to Canada and learned one of the other languages. There you have national unity and national respect. I did not hear anybody from the Van Doos complaining because some colonel spoke English. I did not hear anybody from the R.C.R.'s or the P.P.C.L.I.'s complaining because other fellows, who were doing their share of the job, learned to speak French before they spoke English. There are no language difficulties over there. When you get down to the realities of life people have no time to worry about those factors which unfortunately at times would appear—and it is only an appearance—to disrupt our national unity.

One comes back from Korea very proud of the Canadian forces. One would not be human if after spending a few days there, seeing these men in action and hearing the Americans, Australians and others talk about them, one was not also very proud of being a Canadian. You cannot go out there, meet these fellows and see them on the line and in the hospitals without feeling pretty humble in the face of what they are and what they are doing, officers and men alike, army, navy and air force. As strongly as I know how I should like to make a suggestion to the members of this house, the press and the public of this country. First let me make it clear that so far as I am concerned there is no reason why anyone should hesitate to make constructive criticism whenever it is due. But—and I say this only because it was mentioned to me so often over there—give some thought to the effect what you are going to say or write will have on the men who are actually doing the fighting and living in the mud.

We in this house regard ourselves as public servants. We know that we and other public servants are fit subjects for criticism and public discussion. It might be said that the Canadian army and navy are also public services and therefore they should be criticized and discussed. I do not enjoy it when somebody undertakes to take me to pieces or explain where I have shortcomings as a member of parliament, but how much more hurtful it is for our soldiers and sailors to be taken to pieces to find out what is making them fall short of what they should be as soldiers and sailors when they are not falling short of what they should be at all. If you and I are criticized, Mr. Speaker, we have our right of reply here in the house. The men over there have no right of reply. They can make only one reply. If their morale is attacked it is a suggestion that they are not the type of soldiers they should be, and the only reply they can make is by a demonstration of the way they meet the enemy and put up with the conditions they have to face. I think they have made the reply and made it very effectively. I left Korea with one very strong impression, and that was that the best morale in Canada is in Korea.

Mr. H. O. White (Middlesex East): Mr. Speaker, I make no apologies for entering the debate at this late stage of the session. My remarks are based on the unemployment situation in the city of London and the surrounding district. On November 19 I addressed the following question to the Minister of Labour (Mr. Gregg):

> I should like to ask the Minister of Labour what steps, if any, have been or are being taken to alleviate the serious mounting unemployment in London, Ontario.

At that time the Minister of Labour replied as follows:

> I do not think the seriousness of the unemployment situation is as great as my hon. friend implies in his question, but I can assure him that we are keeping in close touch wtih the situation.

This was on November 19, and ever since that day the unemployment situation has become more acute. I hold in my hand the figures as of December 1, issued by the national employment service in London, Ontario. Comparing them with the same date a year ago we see that on December 1, 1950, some 1,381 were unemployed. Today there are 2,857. This says nothing whatever about at least 800, and probably more, that are on a very short work week. It says nothing whatever about those who have not registered with the national employment service as being out of work. I want to point out to the house the industries that are most seriously affected, and I give them in the order in which they were given to me as those most seriously affected. The first is General Steel Wares, Adelaide street plant; second, General Steel Wares, York street plant; third, Kelvinator of Canada; fourth, General Motors diesel; fifth, Eaton Automotive Products

Limited; and sixth, Empire Brass Manufacturing Company. What I want to point out is the fact that all these companies are engaged in the processing of metals; in other words, they are firms that could be and should be producing the sinews of war.

In trying to arrive at the root causes of the situation two things of course come uppermost. One is the credit curtailment. We have inflation caused by this government; then where they turn around and try to fight it the men who are being injured the most are those in the industries that we need to keep operating to produce the munitions of war. The second cause is the shortage of steel. That of course goes back a long way. Steel is vital in our industrial life. Since I have mentioned that, I may say that I hold in my hand sessional paper 161, issued in the name of the hon. member for Hamilton West (Mrs. Fairclough). It shows the imports of steel from the United States to Canada, and also the production in tons in Canada. Without going into detail about it may I say it shows that the imports from the United States have been going up consistently every month but one. Ten months of 1951 are shown in this return. It also shows that while there has been a slight increase in the production of steel in Canada, that increase is not very great. In fact it is hardly noticeable in our over-all production of steel.

I want to point out also that in the defence production report, issued for the period October 16 to October 31, 1951, only two defence orders went to the city of London in western Ontario, and those two together amounted to only $79,374. During that two-week period some $35 million worth of contracts were let in Canada. That does not of course include the $630,000 contract for the construction of a barrack block in the city of London. But I am pointing out that so far as steel and metals are concerned very few, if any, contracts came to the city of London. In fact one contract for $62,585 went to a paper box company, and the other for communication equipment amounted to $16,789. We have in the city of London a good many firms working in steel, yet we have idle men at a time when we are facing a relentless enemy and the sinews of war are steel. I would say that it is nothing short of criminal negligence to have idle men at a time like this when we are buying time, Mr. Speaker, in Europe and in Asia so the western world can prepare to meet the enemy, and also to prepare our defences.

Some will say the reason the companies in London are not working at full time, or that there is unemployment there, is the allotment of steel to essential industry, those industries that are working on war orders. Such is not the case, Mr. Speaker, because I know of one firm there which has 50 per cent of its men laid off. They are working on war orders, and the men have been laid off because they are not getting the steel.

Another angle that is pretty provoking is the fact that if a steel concern in Canada is affiliated with a United States firm they are able to secure prefabricated steel from the United States, while the purely Canadian firms are left holding the bag and their men are idle. This is a very serious situation. We are again on the short end of a bad deal as far as arrangements with the United States are concerned.

I want to point out to the house the export of vital war materials that we produce in Canada in abundance. I am just going to mention two of them, namely aluminum and copper. We find that in 1946 we exported aluminum to the value of $56 million, in 1950 to the tune of $106 million and in the first ten months of 1951 to the tune of $108 million. In 1946 we exported $37 million worth of copper; in 1950, $87 million worth, and in the first ten months of 1951, $66 million worth. The United States are receiving these vital war metals, but when it comes to steel coming back into Canada we are being given a rather raw deal. I bring this matter to the attention of the house to point out that in London we have these idle men, and the situation is worse than the Minister of Labour (Mr. Gregg) suggested in his reply to me. I had the opportunity to attend a meeting in London last Thursday when industry, labour and welfare organizations, including Catholic charities, all met and this position was explained to us. The people in charge of the charities said that at the present rate of welfare being dispersed by these organizations in the city of London their funds would be exhausted long before the end of the fiscal year.

There is another angle to it that does not appear on the surface. Take a plant that is fabricating steel. Labour in the plant see that the supply of steel is running short, so they slow down in their work. That is what you and I would do if we were in the same position. They try to spin the work out as long as they can, and the net result is that our defence dollar is only buying about 25 cents worth of material. There are three things that could happen: unemployment, the high cost of the end product, or financial ruin for the firm. This is the situation many of these people are facing.

Rumours were abroad that it was part of government policy to have a certain amount

of unemployment in order to obtain recruits for the army. I hope that is not true, but it indicates how seriously the people are viewing the situation. They are calling it a left-handed recruiting drive.

Black and grey markets exist. I was made aware of the fact that quotations on certain types of steel were in this ratio: the Canadian price for a certain product is 31 and the United States price is 46. This is an indication of what the cost of some of these goods would be when finished. I just want to draw the situation so far as steel is concerned to the attention of the house. It was brought to the attention of the house by the hon. member for Cape Breton South (Mr. Gillis), who quoted the following few sentences from *Time* magazine:

> By 1952's end, Jones and Laughlin will have spent $390 million in six years, boosted its capacity by 32 per cent. By the same time, Bethlehem—big steel's chief rival—will have spent $700 million, boosted its capacity 36 per cent since 1946. Inland is spending $145 million, Republic $250 million, . . .

This gives an indication of the increase planned for steel production across the border. Then, in *Time* magazine of December 10, 1951, there is an article entitled "Steel Surgery". It reads in part as follows:

> After Washington fixed Canada's allocation of U.S. steel for the first quarter of 1952 at 415,050 tons, Ottawa gulped in dismay; it had asked for a rock bottom minimum of 527,809 tons. The news meant an unexpected 9 per cent slice in the overall supply. The government had long ago clamped down on non-essential steel construction. Last week it began to cut into the muscle of other civilian uses almost as ruthlessly as it did during world war II.

I would suggest that another item that is adding to cost is the fact that tenders for war orders require a deposit of 10 per cent. One department of the government under the Minister of Trade and Commerce (Mr. Howe) cashes these cheques and apparently uses the funds as working capital, while the other department holds the cheques as a deposit. These two departments are under the one minister. I suggest that where the cheques are cashed the production cost of that firm is higher than in the case where the cheque is not cashed. The firm whose cheque is cashed has to pay a higher rate of interest than does the one whose cheque is not cashed. I have brought this serious situation to the attention of the house, and I hope the minister will take more action than he did when I first brought the matter to his attention.

Mr. Pouliot: Mr. Speaker, I move the adjournment of the debate.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, in the first place I wish to congratulate the mover and the seconder of the address. They did very well. Just before the dinner recess, I ask the genial clerk assistant how many members had spoken, and he told me that 157 had done so. Hence the mover and seconder have been congratulated 157 times, and quite deservedly so.

Mr. Macdonnell (Greenwood): Can my hon. friend remember when the debate began?

Mr. Pouliot: Some time in the month before last. I listened with pleasure to what the hon. member for Lake Centre (Mr. Diefenbaker) said about Lord Alexander, the governor general, who is a great governor and a great man. It was my privilege to suggest some time ago that his term should be extended, and this was finally done. I am not going to suggest the name of anyone to replace His Excellency when his term is ended. That is a matter to be dealt with by the government and His Majesty the King. I have nothing to say as to whether we should have a Canadian citizen or a British subject to represent His Majesty the King in this country. I leave that matter to the government. The only warning I give to the government is this. If the suggestion made by some papers is adopted, namely that Mr. Arthur Meighen be appointed governor general, it would perhaps lead to a movement for annexation to the United States. But it is quite improbable that such a suggestion would be adopted.

I was delighted to pay my respects to Her Royal Highness The Princess Elizabeth when she came to my constituency. I had the privilege of paying to her the same compliment that I paid to her mother, Her Majesty the Queen, when she came to visit this country a few years ago, namely that she had conquered all hearts. The Canadian National Railways did things well in my constituency. The station at Riviere du Loup was painted. The stations at Cacouna, at St. Eloi, and St. Arsene were also painted. As the station at Isle Verte was new, it was the big tank that was painted by the railway. They wanted to prepare the reception quite properly.

Mr. Speaker, we hear so many criticisms about everything that tonight it is my intention to thank the government and the whole house for what has been done for my constituency during these last few years, especially with regard to the fire that destroyed the village of Cabano and also the one that, a few days afterwards, destroyed Rimouski. There are

many people whom I must thank on behalf of those who have rebuilt that village quite well. At first it was the army that gave great assistance to the people. Station CJFP at Riviere du Loup was there, kept the people informed, and secured some help. After the fire the hon. member for Gaspe (Mr. Langlois) and I interviewed the Prime Minister (Mr. St. Laurent) and Mr. Mansur of the Central Mortgage and Housing Corporation to ask them what could be done. My good friend Mr. Wilbur Arkison, a prominent journalist of Montreal, published a front-page interview in the Montreal *Standard* three days after the fire. All the newspapers gave their support to the victims of the fire. His Worship the Mayor of Montreal, who is also the member for Papineau, organized a great meeting at the Forum to come to the assistance of victims of the fires at Rimouski and Cabano, and the net profit was between $6,000 and $7,000. My colleagues of the house were kind enough to direct people who were sending food and clothing to both places. A genial maritimer by the name of Alistair Fraser who is a dear friend of mine and who is a prominent railway man succeeded in giving Cabano and the Temiscouata Railway milling in transit rates, which were extremely helpful to the lumbermen of that part of the county. I remember the Prime Minister (Mr. St. Laurent) was kind enough to pay a visit to Cabano, and succeeded in comforting the people. He wanted to see the extent of the damage, and he spoke to them in encouraging terms. At that meeting there were two local members of my comté who were there to pay homage to the Prime Minister of Canada. They were two members of the provincial legislation.

A report was made by the commissioners early in May. There was an understanding between the federal and provincial governments with regard to the amount that was to be provided by Ottawa and the province for purposes of relief. I express my thanks to the Prime Minister of Canada as well as to Mr. Duplessis for what has been done in that respect.

Also I received word from Mr. St. John Chadwick, first consul at the office of the High Commissioner for Great Britain, who brought gifts from the United Kingdom to the people of Cabano. They were most generous gifts including some chinaware, some clothes, some shoes; all sorts of things. There were very precious gifts of silverware sent by the nobility of England to the people of Cabano and Rimouski.

I was there with Mr. John Lewis, deputy secretary of state for the commonwealth, who came to Cabano with Mr. Chadwick. I attended the distribution of gifts from Great Britain to the people of my constituency. I offer special thanks to my colleagues of the House of Commons, because the whip, the hon. member for Dorchester (Mr. Tremblay) gave me a cheque for $505 contributed for Cabano by members of parliament. Also our lamented friend, the Hon. Humphrey Mitchell, told me that he had sent directly to the mayor of Cabano his personal cheque for $50. Then Hon. Liaquat Ali Khan, deceased premier of Pakistan, when he came to Ottawa subscribed $1,000 for the relief of the victims of the fires at Rimouski and Cabano. This was most generous of him.

I must not only thank the Prime Minister of Canada and the premier of Quebec, but I must congratulate them upon the appointment of the commissioners, Brigadier Antonin Theriault of Quebec city and Mr. Edouard Laurent of Quebec. Brigadier Theriault was the representative of the Ottawa government and Mr. Laurent represented the government of Quebec. Then they had as a third commissioner His Worship Emilien Morin of Cabano, who did splendid work to assist his fellow citizens.

There are only one or two points in this connection I would like to mention. The first is that in those two fires the compagnie de pouvoir du Bas Saint-Laurent charged $26,522, and the corporation de téléphone de Québec charged $53,439 for damages suffered by them at Rimouski. These amounts were paid to these companies. Perhaps they got more, I do not know. On the other hand, I must tell the house that the compagnie de téléphone de Kamouraska, whose president is Mr. F. C. Whitaker of Montreal, suffered damages to the extent of more than $4,000, by reason of the Cabano fire, but they were generous enough to cancel their claim. It was their contribution on behalf of those who had suffered in the fire. Hon. members may judge from this the difference of approach in a matter of this kind. The compagnie de téléphone de Kamouraska was public-spirited and generous, while the other two companies were very greedy. This is not new.

And, sir, I want to say something about the Canadian National Railways. I will tell you that all my life, especially since the beginning of my public career as a member of parliament, I have been a strong advocate of the Canadian National Railways, that big organization that goes from coast to coast. I happen to live at a divisional point in the Intercolonial section of the national railway company. At the beginning Riviere du Loup was the eastern terminal of the Grand Trunk

Railway, before the construction of the Intercolonial Railway. If railway employees can claim seniority rights, then the shops must have the same right. The shops at Riviere du Loup must have seniority over all other shops of the Canadian National Railways. This is ignored. There are big shops at Moncton, at Point St. Charles, as well as at Stratford, Ontario, and at Transcona, which is not far from Winnipeg. But the shops at Riviere du Loup existed long before these others were built. No one spoke about them at that time.

We live in strange times, times of centralization. Some people who are called men of vision see only one thing, a huge thing, a tower of Babel; the bigger it is, the better it is. Well, that is absurd. Why do we have a housing problem? Why did we have such a problem, especially after the war? It was more acute then than it is now, because some progress has been made, although matters have not yet been completely adjusted. It is precisely because of the exodus of people from the country to the city, due to that centralization of industry. I remember some years ago I told a story of the Noiseless Land Company or La Compagnie des Terrains sans Bruit Ltee., at Quebec city. There were two gentlemen, two politicians rather, Philippe Pelletier and Mr. Perodeau. They formed a partnership to buy some swamp land near Quebec city at a very low price. Laurier was in power and they offered this land to the Laurier government. Laurier said, "No, I will never buy it." Then Pelletier became postmaster general in the Borden government, and as he was all-powerful the Borden government bought the Noiseless Land Company's property from Pelletier, Perodeau and company at a high figure.

After the swamp had been bought it had to be used because they were afraid of a scandal. So they built shops on that soft soil and after the shops were built they needed men and machinery. They took the men and machinery from Riviere du Loup for the new shops built on the Noiseless Land property. It was like the deportation of the Acadians. It was a great blow to my city. The shops continued to exist and some time afterward Sir Henry Thornton, president of the Canadian National Railways, decided to reduce the personnel of the Riviere du Loup shops to a minimum. I tried to argue with him but it served no purpose. But Hon. Charles Dunning, supported by the late Right Hon. Ernest Lapointe, saw to it that there was no reduction. The men who had been sent away came back to work in the shops.

That was a great advantage, not because of politics but because the Riviere du Loup shops were an asset to the community. Afterwards the St. Malo shops were closed for railway business and this work was transferred to the Department of National Defence. At the outset of the war Moncton tried to place its clutching hands on the fine machinery that was there, but Mr. Hungerford saw to it that that should not happen and the machinery that was billed to Moncton was rebilled to Riviere du Loup. The men who had been forced to leave their homes had an opportunity to come back to Riviere du Loup to continue their work for the railroads. They do most excellent work.

That was the third time we suffered from centralization. Quebec does not need a railway shop any more than a dog needs two tails. Why? The St. Malo shops were built simply to cover a scandal under a Tory government.

Mr. Fraser: A Liberal scandal now.

Mr. Pouliot: No scandal. I will fight to the death to maintain the rights of my constituents who continue to do splendid work at Riviere du Loup for the Canadian National Railways. I am not impressed by the advocates of centralization who are bringing about the downfall of the railway. We are asking for two shifts, a day shift and a night shift. If we have the number of men that we need at Riviere du Loup we will be able to compete with any shops anywhere on the Canadian National Railways. We are between the Point St. Charles and Moncton shops, between New Brunswick and Montreal. I am a friend of the maritimes and I am ready to co-operate with them provided they do not try to cut our throats.

Mr. Brooks: They would never think of that.

Mr. Pouliot: I hope not. We have a right to live and we have a right to defend what exists for the benefit not of the local community but of the country at large. So much is that the case that very often work that is badly done at Moncton is sent to Riviere du Loup to be fixed up by the railroad men there.

Mr. Brooks: That is very seldom.

Mr. Pouliot: That is the reason I am so proud of the men whom I have the honour to represent in parliament. I am casting no reflection upon the maritimes. This shows that the men at Riviere du Loup are just as good as those in the maritimes.

Mr. Brooks: I think the hon. member should give instances of that inferior work. I doubt very much if he can.

Mr. Pouliot: I am sorry that the time at my disposal is not long enough to permit me to mention all those cases.

Mr. Brooks: It is a very good argument.

Mr. Pouliot: No. I hope my hon. friend will be good enough to stop at Riviere du Loup the next time he passes that way and I will bring him to the shops where he can meet the men who witnessed these incidents. They are in a better position than I to give specific details. I have never said anything in the house that I did not believe was accurate.

Not only do we want to have two shifts at Riviere du Loup instead of one; it is also important that the work started last summer by the Canadian National Railways to repair the right of way of the Temiscouata railway be continued next year. Why should that be done? There is only one line on the Intercolonial between Montreal and Levis and Halifax, which line runs through Moncton. It is essential that there be a double line from Riviere du Loup onward and the Temiscouata railroad should be repaired so it can serve to its utmost capacity. A highway, which is part of highway No. 2 between Toronto and Halifax, has been completed and will be paved next year. It is one of the finest highways in Canada. The scenery is just as grand at that north of Montreal with mountains and large lakes, such as lake Temiscouata. But this is lumbering country. Thanks to what has been done by Mr. Alistair Fraser, a former vice-president of the Canadian National—and I give credit to the management for this—the milling in transit rate given to lumber producers near the Temiscouata line and in the back country would do marvels if they were supplied with enough cars. I could mention some prominent lumbermen in my part of the country. One of them is well known throughout the country because he is a former president of the Canadian Lumbermen's Association. I refer to Mr. Raoul Guérette of Estcourt who asked the railway last winter for 5,000 cars to ship lumber from Whitworth to other points. Whitworth is on the Temiscouata line. He could not get all the cars. At the meetings of the railways and shipping committee last session I questioned Mr. Dingle about it. I knew very well it was true because I was the one who sent a wire to the management on behalf of Mr. Guérette to have the 5,000 cars sent there.

The Temiscouata railway is serving a purpose. We hear about the claims for improvement that come from various parts of the country. Members ask many things from the government. I make my claim, and I am sincere, honest and earnest about it. I am sure the government will support my request because it is in the public interest. I want the completion of the repairing of the track of the Temiscouata railway so that it can be used for heavy traffic. There is supposed to be an extension of the Matane railway to Gaspe. I have no objections to it, but if there is enough money to continue the Matane branch to Gaspe there must be enough to finish the Temiscouata line so it will give the railway the profit it is entitled to get from it. I will have other occasions to mention this matter, but I rely on the Prime Minister (Mr. St. Laurent), the Minister of Transport (Mr. Chevrier), the government and the whole house to give us what we are entitled to have.

There are maritime rights. There are also Temiscouata rights and the rights of every other constituency in this country. I am only too proud to be the advocate of the rights of Temiscouata and to defend my constituents. Once I attended the blessing of the cornerstone of a hospital, and the bishop was there. I told him: Sir, you are the spiritual father of these nice people; I am their temporal father. You look after their interests in heaven and I look after their interests in this world. I am sure I shall have the support of the government and the house in the redressing of all wrongs and seeing to it that Temiscouata is not treated as a country cousin.

The last thing I have to say is about the pensions of railway employees. I discussed the matter in the railways and shipping committee last year. The hon. member for Restigouche-Madawaska (Mr. Dube) made some very good speeches about it. I refer to the Intercolonial and Prince Edward Island Railway employees provident fund. There are 4,850 contributors and 3,300 pensioners. Monthly payments are $300,000. There are 2,200 who receive more than $90, 650 who receive from $50 to $90 and 450 who receive from $30 to $50. It is not much when we think of it. That is another matter that I brought to the attention of the management, and it is a shame.

Before the Temiscouata railway was purchased by the government it was operating in great difficulties. There are some men who after working for the Temiscouata railway for half a century receive much less than $30 a month as a pension. They receive $5. The management of the Canadian National say they have no responsibility. How can that be? The monthly cheques of $5 are signed by the Canadian National Railways. It is a shame, and any other organization would

increase these pensions. There are other things that I might say. I do not envy anyone what he has got for his constituency. The government looked after Temiscouata. Les électeurs de mon comté have received due consideration in the applications they have made, and they are among those in the country who every time thank not only the government but the Prime Minister and the other ministers concerned for what they do for them. It is a very fine tradition and they never fail.

But, sir, I am sure after the exposé of the facts that I have related to the house tonight they will again have occasion to thank the government and also the Canadian National Railways. We are not opposed to the railways. We do not want them to do anything that is not in the public interest, but we want them to serve every part of the country as well as possible. My friend the Minister of Public Works (Mr. Fournier) has just taken his seat. He is doing something for Temiscouata. He built a fine wharf at Riviere du Loup. He has just bought a nice tract of land for a public building which is required for the post office, the unemployment insurance commission, the customs, the mounted police and other departments. With the support of my hon. colleagues, I am sure a fine building will be erected on that land in the very near future.

I also want an airport at Riviere du Loup for civilian use and for purposes of military defence. It is time to have it. All the plans are ready, and I am sure it will come in due course. I am just about through. I thank the house for their kind attention and, moreover, the inspiration my colleagues have given me while I have been speaking. I cannot pay a better compliment to my colleagues than to say that tonight I felt just as much at home as if I had been in my own constituency.

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to take the opportunity tonight to draw your attention to the fact that persecution of Canadian nationals by the Chinese communists is increasing at an alarming rate. One week ago today it was drawn to the attention of the Prime Minister that two Canadian nuns had been sentenced to five years imprisonment and three other Canadian nuns had been ordered deported on the fantastic charge that they had murdered children under their care.

It is obvious from the evidence which was presented, at what passes for a trial in communist countries, that these children were past all hope of recovery when they were delivered to the orphanage, and that it was only the Christianity of those nuns which caused them to admit those children and do what they could for them whilst life still remained.

The evidence that these five nuns are completely innocent is overwhelming, and does not need to be elaborated at this time. What the Chinese communists violently objected to was the fact that these nuns were teaching and demonstrating Christianity.

Following this outrage, we read in this morning's paper that two nuns and a priest were forced to exhume children's bodies in the area near Canton. They were forced to work twelve hours a day for twelve days, without rest and with very little food, and the citizens in the vicinity were encouraged to taunt them while they were at their task.

Again in this morning's paper we read that a Canadian priest, Right Rev. Gustave Prevost, was arrested two months ago by the Chinese communists and is now reported as having confessed to having been a spy. Those who are familiar with communist methods will realize that whatever false confession he is claimed to have given could only have been forced from him by privation and torture.

I believe that the time has come for the government to tell the Canadian people what steps it plans to take to protect Canadian citizens against the kind of outrages I have just described.

Mr. J. S. Sinnott (Springfield): After listening to the hon. member for Broadview (Mr. Hees) I am sure that the few words I have to say tonight will be more or less in order. He spoke about the various things that were going on in China, and that brings me to say that here in the house we were lobbied today by a group of people who were representing the peace congress. This afternoon I had a group of them in my room for about an hour, and after letting each one say what he had to say I had my turn in questioning them. To be truthful, I believe that some of these people are sincere in their efforts to obtain peace. When I questioned some of them I asked point-blank whether there were any communists in their organization, and I was informed that there were.

They wanted to know what members of parliament were doing to bring peace throughout the world. I told them that Canada, representing approximately 15 million people, could not bring about peace by itself, but that I had every confidence in the Secretary of State for External Affairs (Mr. Pearson), through whom Canada speaks, and in our Prime Minister (Mr. St. Laurent), and I was sure that we were doing everything we could to preserve peace.

They asked me questions; they asked whether I did not think it would be far better if instead of spending what we are spending now on arms we spent it on peaceful purposes. I think we all agree on that, but I asked them how it was that our enemy, or what we think is our enemy at the present time, was building up armed forces of over 2,800,000 men at the present time, and that we did not have the right to go in there to see at what rate they were building up those arms and other weapons of war. I also told them that from my experience in many disputes in our own councils at home I thought it could be done better by negotiation than with guns.

Mr. Fleming: The peacemaker.

Mr. Sinnott: In a good many cases, yes. That is what our Secretary of State for External Affairs is trying to do. He is trying to obtain peace at almost any price, but not at the price of the Russians. If every member of the house were to inform what I call these misinformed people who have gone to the trouble and expense of coming to Ottawa to further their efforts, much good would be done. I asked them how they got their funds to come. They said they got them through their own organization; that they had no direct contact with Russia whatsoever, and therefore were on their own. It is up to every member of this house to inform these people that they cannot obtain peace as long as they have communists in their organization. When they left my room the suggestion I gave them was that before they would make any headway in obtaining peace in the world they first had to rid their organization of communists.

Mr. J. H. Blackmore (Lethbridge): During the sixteen years of my membership in this house I have never yet undertaken to tell the members of the house about my particular constituency. I believe it would be well for me in a short time tonight to depart from that custom which I have established and give the members some idea of the kind of disaster which has overtaken many areas in Alberta.

Normally my constituency is one of the most prosperous in the dominion, judged from the amount of income tax my constituents pay, and altogether it is rather remarkable for the amount of well-being which prevails there. Here are some of the things that have happened this year: In the first place, we had rain in the spring which delayed seeding a month. Everybody who knows anything about agriculture understands how serious that is. We could have recovered from that quite readily, I believe, if we had had a chance, but we did not have a chance. It kept on raining too often all summer long, thereby delaying maturity. Although the crop, with abundant rainfall and the kind of weather we generally have there in respect of sunlight and so on, was excellent, yet it was not harvested. Snow laid very much of it down before it could be cut. Much of the grain that was not laid down by snow had been swathed, and consequently was subject to the deteriorating influence of too much moisture during rather warm weather while in contact with the soil. In most cases what was harvested was too damp to be stored with safety. The result was that, in a large measure, people lost their grain crop.

Ordinarily, in my constituency, a great deal of hay is produced. We had a very fine crop because of the rain, but almost as though there had been a committee of fiends appointed to supervise what went on during the summer, we had rain just often enough to catch every cutting of hay in the windrow and destroy it. Some of you have had that experience; that condition followed us right through the season. The result was that most of the hay was spoiled in the windrow or in the bundle. A number of people are now beginning to bind the hay in bundles for protection, but the bundles were spoiled; they turned just as black as a stove. What little hay was harvested and stacked in good condition was utterly destroyed by a heavy rain in September, which soaked through from the top of the stack to the ground. In a district that does a great deal of livestock raising, hon. members can realize how tragic that experience was.

There are three sugar beet factories in my constituency. Normally the beet crop is the surest crop the people have, and this is especially true of the irrigated areas. Beet germination was delayed because of the wet weather I spoke about, and in some places there was so much dampness that the young beets were killed when they first came up. The beets did not progress as they should have, and when harvesting time arrived the weather was so wet it was exceedingly difficult to harvest the beets. Many of the growers have beet harvesting machines which were unable to function because of the moisture in the soil. Where they did function there was great expense in harvesting the beets. Finally, a great number of beets were frozen in the ground. The loss in the beet industry has been severe.

My constituency is one of the best in Canada for producing cattle. There are many ranchers, and they would have experienced a successful season because of the fine pasture during the summer except for the fact that the hay crop was destroyed. Then it was impossible to harvest the grain crop

and the ranchers were unable to get access to the straw upon which many of them depend for carrying their animals through. The result has been that many of the stockmen have been forced to get rid of their stock just in the year they were depending upon stock because of the losses in other crops upon which they relied. Those cattlemen who usually pasture their stock in the fields after the grain is harvested were unable to do so this year because much of the grain lay either uncut or in the swath. If they turned their stock into the field they would founder by eating too much of the grain.

In my area there is a good deal of sheep feeding and sheep raising. Ordinarily the feeders turn their sheep into the fields to pasture on the beet tops which are left in the fields after the beets are harvested. Those who have sheep are in serious difficulties because of the poor beet harvest, and in some cases are being forced to dispose of their flocks.

One of the major industries is the feeding of beef cattle and sheep during the winter. The beet pulp which comes from the manufacture of sugar from beets is probably the finest feed for cattle that is known to man. The pulp alone is not so very good for the cattle, and it is necessary to have with it hay or straw. This year the hay and straw are lacking or have to be brought great distances at tremendous cost. The result will be that this major industry will be largely a failure this year, except in a very few cases.

I believe this picture, a rather gloomy one, which I have drawn of my constituency gives some idea of the suffering of the people in Alberta. Something ought to be done. I do not know what the government has in mind, but it appears to me to be almost an emergency. It should be called at least a provincial emergency, but it is beyond the financial competence of the province to deal with it. It seems to me it becomes almost a national emergency, especially when we recall that Saskatchewan is afflicted almost as seriously as Alberta.

May we go back to the discussions of last spring and recall that the farmers were able to establish that, as a result of the sale of wheat under the British-Canadian wheat agreement, they had lost money. This was established largely through such spokesmen as the hon. member for Acadia (Mr. Quelch), the hon. member for Battle River (Mr. Fair), the hon. member for Melfort (Mr. Wright) and others. Considering all the factors which entered into the situation, it was proved that the farmers lost hundreds of millions of dollars.

It will be recalled that the government listened to their appeals to the extent of contributing $65 million towards reimbursing the farmers for those losses. It will be recalled that there was talk of $48 million being paid as compensation for another disability which the farmers suffered. Members from those areas continued to discuss the $48 million question until I was ruled out of order on April 6 for undertaking to discuss it. An amendment had been moved by the C.C.F. calling for payment of the $48 million, and when the vote was taken on that amendment further discussion of the $48 million was ruled out. That might have been a contribution to the well-being of the farmers and it might not, depending on how one looked at it.

I wonder if it would not be wise for us to consider the advisability of going back and taking another look at that $48 million proposition, to see whether or not it would be a good thing for this government now to pay that amount to western farmers. It would give those who are suffering at least some money with which to buy the children something for Christmas, and some money with which to help the merchants who are almost in despair in my constituency because they have advanced credit to the farmers, hoping for a crop, and now find themselves in the grip of the wholesalers and utterly lost to know where to turn in order to be able to carry on until spring. In that respect $48 million would help all the way around.

If I may be pardoned for reading from my remarks last spring, I should like to refer to page 1300 of *Hansard* of the first session of 1951. On March 15 I closed my speech with these words:

> As I have previously argued, the wheat producers ought to receive compensation to the extent of at least 25 cents per bushel. The people of Canada through the dominion government are in duty bound to pay that 25 cents. Britain, let me repeat, has not the least scintilla of a moral obligation in any shape or form in connection with reimbursing Canadian farmers for the losses they have sustained by reason of the British-Canadian wheat agreement.

I had argued that matter so fully, I think, that there could be no answer to the argument I had adduced showing that the British had no obligation, contractual or moral, in any way.

Then, if I may, I should like to turn to page 1716 of *Hansard* of April 6, and read my closing remarks on that occasion:

> As I say, I am closing my remarks tonight, but this is not the last I am going to say in advocacy of the proposition that the dominion government at an early date contribute $48 million more to the pool fund for the farmers of western Canada.

Tonight I am making good that promise. Inasmuch as all this is more than six months old, it might be wise for us to give some attention to the story behind the $48 million so that people who are not familiar with

the situation will be able to understand what it is all about. What is the story behind this $48 million request?

Between March 1, 1945 and February 17, 1947, some 160 million bushels of wheat were consumed by Canadians. The wheat board sold this wheat to Canadian millers at 77-3/8 cents per bushel. The Canadian government paid the wheat board an additional 47-5/8 cents per bushel, making a total of $1.25 per bushel to go into the fund from which the farmers were to be paid, all that they were to get by reason of the sale of wheat to Britain during the four-year period. If that wheat had been sold to Britain the farmers would have received $1.55 per bushel. If sold to any other nation but Canada the farmers would have received more than $1.55 a bushel, for then their wheat would have become class II wheat which in many cases sold at a much higher figure than $1.55. The farmers therefore lost at least 30 cents on every one of those 160 million bushels of wheat which the Canadian people consumed. In other words they lost 160 million times 30 cents, or $48 million.

As it worked out, this $48 million was a definite subsidy paid by the farmers to bring down the price of bread, or at least the price of the wheat that entered into the bread which Canadians ate during the period I have indicated.

The farmers not only paid this $48 million as a direct consumers' subsidy to bring down the price of bread; they also paid, through their taxes, a share of the 47-5/8 cents a bushel which the Canadian government paid the wheat board to help make up the $1.25. Surely the farmers are entitled to that $48 million! I do not think any line of reasoning can be advanced or any evidence can possibly be adduced by anyone which can show that the conclusion I have drawn is unsound.

When the government last spring paid the $65 million to the farmers, many hon. members argued that it ought not to have been paid. Hon. members of the house can recall men who rose in their places and sincerely argued in that way. Most of those men felt that the dominion had no obligation to pay this money.

What sort of reasoning influenced hon. members in opposing assistance to the farmers then? There were several considerations. By members of the cabinet and others it was argued that the British-Canadian wheat agreement was an experiment in price and market stabilization. It was therefore argued that what the farmers lost was a sort of premium such as men would pay on an insurance policy to guarantee that they would have markets and reasonably stable prices. I was not impressed with the argument, but a good many hon. members were.

Again it was argued that if the 600 million bushels of wheat that Canada sold to Britain during the four years had been thrown on the markets of the world, the price of class II wheat would have been forced down and consequently it would have been impossible to show that the farmers had lost money by selling to Britain at $1.55. The general idea seemed to be that it would be quite impossible to tell how far the price would have been forced down, and that it might possibly have been forced down even below $1.55. This thought seemed to be in men's minds.

Then others argued that if Canada had not sold the 600 million bushels to Britain she probably could not have sold that wheat at all, but would have found her wheat crowded out of the world markets by competitors.

I think probably a bit of evidence that people would accept as worth considering would be in order at the present time. I should like to read a statement from the April 11, 1951 Searle Grain Company's letter. Before I start to read this, may I say that I recall how greatly exercised some hon. members became last year because I referred to the Searle Grain Company's letter. I argued—and I think soundly—that I had never known the Searle Grain Company to make any errors in figures. They make errors in their conclusions and their reasoning, I grant you that; but their figures are sound. This quotation I am about to give contains figures which can be expressed in their words quite as effectively as they can be expressed in mine, and they will carry with them the authority of the Searle Grain Company. I quote from the letter as follows:

> If the 600 million (150 million a year for each of four years) had been offered on the open market then, of course, Britain would not have purchased this wheat under contract, but she would have had to buy from somewhere the same quantity to feed her people for her people were seriously short of food. Britain, therefore, would have had to come to the open market with demands at the rate of 150 million a year, or 600 million in four years. This extra 600 million of demand would have exactly balanced the 600 million of extra supply, so price would not have been affected. Experienced grain men are convinced that the open market price for all our wheat over the four years would most probably have been even higher than the class II rates.

That is their conclusion. I am not saying anything about that.

> Could all our wheat have been sold had it not been for the agreement? Most certainly it could have been. During these four years the United States sold on world markets 1,932,000,000 bushels; Argentina sold 373,000,000 bushels; Australia 433,000,000 bushels and Canadian class II wheat 196,000,000 bushels, or a total of 2,934,000,000 bushels and all was

sold at class II or better than class II price. France, India, Turkey and Russia also sold unrevealed additional amounts, again at high prices.

For the first three years the world was badly short of food. The world was even buying Canadian rye at $4.83 a bushel—worth usually 20 per cent less than wheat—and registered seed wheat for making into flour at $6 a bushel. Britain herself was buying wheat from the U.S.A., Australia, Argentina, Turkey and some say from Russia and at prices higher than class II prices.

What reason, then, have we to suppose that Britain or any other buying country would have paid less for Canadian wheat than they did for other wheats lower in quality, and while the world demand considerably exceeded the supply.

The bearing of these comments and figures on the $48 million is simply this. They tend to show that the western farmers were beaten out of a just remuneration for the wheat they produced and sold. They sold their wheat to Great Britain at $1.55 for the first two years and $2 for the second two years very substantially below the world price of class II wheat. It seems beyond any possibility of dispute that these figures and statements constitute complete proof that the western farmers lost heavily as a result of the agreement, and that they therefore have a claim on the Dominion of Canada for a considerable amount of reimbursement to cover their losses.

Some hon. members have objected to the rest of Canada paying taxes for the benefit of the western farmer. That proposition should be examined, to see whether it is valid. Let me read the statement of Chester A. Bloom, entitled "The Prairie Farmers Pay". This clipping is from the Lethbridge *Herald* of March 24, 1951. When I referred to this article last spring some members became almost furious, because they implied that Chester A. Bloom was employed by somebody. Their objection quite astonished me, because certainly the figures of Chester A. Bloom must be accurate, no matter whom he is employed by, or whether he is employed by anybody. This is the article:

During the five-year wheat pool including the four-year Canada-U.K. wheat agreement, while selling their wheat to Britain at cut-rate prices, the prairie farmers paid 77 per cent of all the farm income taxes paid in Canada.

During the four years of the U.K. wheat agreement, 1946-49 inclusive, the prairie farmers paid 81 per cent of all the farm income taxes paid in Canada—$48,254,000 out of $59,489,000 farm income taxes.

The farmers of the three prairie provinces were getting gypped two ways—their wheat was sold at bargain prices while they carried more than three-quarters of the farm tax load in Canada.

The answer is easy—their wheat was sold by a government board. The government tax collectors knew every cent of their income—not so with all the other farmers of Canada. No wonder governments like handling farm products through boards.

The 1950 farm tax returns are not yet available. But the prairie farmers have been paying an average of more than $12 million a year in farm income taxes. Their 1950 taxes will surely be up to the average so, during the five-year pool into which the government is now making a $65 million final payment, the prairie farmers will have paid taxes in that period within $5 million of the $65 million.

It is quite obvious why the government did not use these figures to rebut some of the $65 million payment criticisms. It is one of the big national tax scandals of Canada.

Here are some of the figures culled from a return furnished February 22, last, by the Department of National Revenue, answering a question asked in the house by H. R. Argue, M.P., Assiniboia:

In 1946, total farm income taxes collected in Canada were $9,843,000 of which prairie farmers, largely wheat growers, paid $8,134,000 or 82·5 per cent.

1947—Total Canadian farm income taxes collected, $13,581,000; prairie farmers paid $10,567,000 or 77 per cent.

1948—Total Canadian farm income taxes collected, $18,095,000; three prairie provinces paid farm income taxes of $14,168,000 or 78 per cent.

1949—Total Canadian farm income taxes collected, $17,970,000; three prairie provinces farm taxes, $15,385,000 or 85 per cent.

The only provinces which came anywhere near approaching these prairie records of farm income taxes were the immensely wealthy old farming province of Ontario whose farmers in 1949 paid $1,940,000 in farm income taxes while British Columbia farmers paid $544,000. Quebec farmers paid only $51,000. The smaller populated maritime provinces that year paid farm income taxes of: P.E.I., $4,000; Nova Scotia, $33,000; New Brunswick, $11,000, and Newfoundland, $2,000.

Even before the Canadian wheat board had records of prairie farmers' wheat receipts, however, the three prairie provinces were furnishing, since 1941, more than 50 per cent of the total farm income taxes collected in Canada. Here are the records 1941 to 1945 inclusive:

1941—Total farm income taxes collected, $1,592,000; prairie payments, $860,000; 1942—total farm income taxes paid, $3,372,000; prairie payments, $2,045,000; 1943—total for Canada, $11,630,000; prairies paid $8,563,000; 1944—total for Canada, $20,482,000; prairies paid $16,838,000; 1945—total for Canada, $13,392,000; prairies paid $8,047,000.

Anyone who will seriously contemplate those figures should indulge no more in talk about having the rest of Canada pay taxes to help the prairie farmers.

Others have argued as a reason why there should be no payment to western farmers that it was not economically sound to subsidize any group. Let us see what subsidies are paid in Canada. When a tariff is placed on a commodity like a mowing machine which causes the people in a primary producing area to have to pay $25, $30, $40 or $50 more for that machine than they would have to pay if the tariff were not imposed, then that tariff is forcing the primary producers to subsidize the machinery companies. There can be no other interpretation placed upon the effect of the tariff.

I have here an article which indicates a great deal of research in its preparation and which I believe will be quite enlightening to all people who are concerned in this matter, as I think everybody is. It is taken from the

Manitoba *Co-operator* of May 3, 1951 and is entitled "They Talk Subsidies". It is copied from the Alberta wheat pool budget of April 20, 1951, and reads:

> The turmoil which has been raised in eastern Canada over the $65 million federal grant to the wheat board to make a final payment of 8·3 cents a bushel for wheat in the 1945-49 pool, is, and should be, resented in western Canada. One would think that the western wheat farmers were mendicants and they alone of all classes in Canada received special treatment. That is far from the case.
>
> H. H. Hannam, president of the Canadian Federation of Agriculture, has listed some federal government subsidy payments made to groups and industries other than farmers, in the 1949-50 fiscal year as follows:

Subsidy for Canadian gold mines	$13,715,778
Subsidy on movement of coal	3,919,000
Subsidy on steel and iron	4,662,251
For unemployment insurance	45,059,588
Subsidy for judges' (114) pensions	458,937

> Then special depreciation on $514 million invested was allowed war industry during world war II.
>
> The Canadian tariff in itself operates in the nature of a bonus to Canadian industries and is oppressive particularly to people residing in the prairie provinces of western Canada. In the early 1930's the late Hon. Norman Rogers, Minister of Labour in the Canadian government, prepared a table showing how each province in Canada was affected by the dominion's tariff policy.
>
> That table showed that at that time the Canadian tariffs cost the people of Manitoba, Saskatchewan and Alberta $54,925,000 a year, or an annual average charge of $23 on every man, woman and child in the three provinces. With the expansion of Canadian industry and western purchasing, the figures may now be doubled.
>
> The table also showed that the provinces of Ontario and Quebec had an annual gain through the tariff of $83,700,000.
>
> The $65 million grant by the federal government to the wheat board permits a payment of 4½ cents a bushel on 1,436,000,000 bushels of wheat delivered by the farmers of western Canada between 1945 and 1949 inclusive. It brings the total payment up to a little over $1.83 a bushel, basis 1 Northern at the terminal, on total deliveries.
>
> Between March 1, 1945, and February 17, 1947, the wheat board sold 160 million bushels of wheat for domestic consumption at $1.25 a bushel when the export price was $1.55. That was a direct subsidy by the wheat producers to Canadian consumers to the extent of $48 million.
>
> The prairie provinces of western Canada constitute a land area of 452 million acres, of which 117 million are in occupied farms; 65 million acres being improved lands. This is one of the most productive farming regions in the world.
>
> During the war this area produced nearly 5,500,000,000 bushels of grain, over 5 billion pounds of beef, and 8,600,000 pounds of pork. This production resulted in Canadian people being among the best fed in the world, and also provided 3,100,000,000 pounds of pork and 600 million pounds of beef for export to Great Britain.
>
> While Canada has experienced a growing industrialism, which strengthens the nation's economic fabric, agricultural production is still the mainstay of the national economy. The farmers of western Canada, under the constant risk of drouth, hail and insect pests, have rendered an exceptional contribution to the progress of the Canadian nation. "Without a west" Canada would not be much of a nation.

In the light of the figures I have placed upon the record during this talk I think it will be realized that western farmers are most moderate when they come to this parliament asking for compensation for the amount of money they lost as a result of sales of wheat under the British-Canadian wheat agreement, and especially their argument that they are entitled to this $48 million as reimbursement for their loss in subsidizing Canadian bread consumers.

Mr. W. J. Browne (St. John's West): Mr. Speaker, the question agitating the minds of most people in Canada for the last year has been the high cost of living. One reason for the higher cost this year has been the high taxation imposed by the government. This was well pointed out this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker) and also by no less a person than the president of the Bank of Montreal in his recent annual statement to the shareholders. He pointed out that the government through its policy of high taxation was contributing to the increase in the cost of living. This was also pointed out by speakers on the opposition side last year when these extra taxes were put on articles which everyone recognized to be necessaries of life. Therefore the government cannot escape the just accusation that they are responsible to a large extent for the figure the cost of living index has now reached.

This increase in the cost of living falls in various degrees upon different persons. There are some people who have the advantage of working agreements containing escalator clauses so that as the cost of living index rises their wages or salaries also rise. Those people who are getting their income from profits find that those profits are increasing in proportion to the cost of merchandise which they sell. Although they do lag behind somewhat, civil servants get bonuses. But there is a class of person about whom I wish to speak tonight who has very little opportunity of redress and who must depend to a large extent upon government assistance. I intend to speak about the Newfoundland fishermen.

It is a strange anomaly that fish, salted codfish at any rate, is one of the food products in the world that has gone down in price during the past two years. This means that the return to the fisherman is less than it was, whereas the cost of the articles he must use has gone up. In other words his cost of catching fish has increased and the value of fish has gone down.

As hon. members know, in 1949 Newfoundland came into confederation. There were

many who thought this would be most beneficial to all concerned, but it has not proved beneficial to the fisherman, as I intend to point out. In 1948 the fishermen of Newfoundland received their highest prices for fish, about $13.45 for small madeira fish. In 1949 it began that way, but they could not sell their fish and the result was that there was a carryover into the season of 1950. The fisheries prices support board had to come to their assistance to a certain extent. That assistance was not very great, but they had to buy several thousand quintals of fish from the fishermen. However, 1950 was the worst season for many years. The initial price was nearly $3 a quintal lower. I suppose I should explain to hon. members what I mean by a quintal. A quintal is 112 pounds or a hundredweight of fish. The bureau of statistics does not use that figure. They use a figure of 100 pounds, but we refer to a quintal of 112 pounds. In the 1950 season the price started off at only $10.50 for small madeira fish for which $13.45 was paid the year before. There was a difference of nearly $3 a quintal or 3 cents a pound in the price of the fish.

This was bound to have an effect upon the fishermen. But that was the highest price paid during the year, and it began to drop after the month of September. Those who were not fortunate enough to get their fish sold during September had to accept a lower price. I have already brought the prices paid in 1950 to the attention of the house. Fish sold after September averaged as low as $5.50, which is only about half the better price paid in September. The men could not make a living and the provincial government instituted an inquiry to see if the merchants were paying fair and just prices. The fisheries prices support board had an investigation, and some hon. members may recall that it was decided, so far as Labrador fish are concerned, to guarantee a price of $7 a quintal, to which a supplementary amount of 85 cents has since been added in the case of semi-dry fish. Therefore some Labrador fishermen will receive a guaranteed price of $7.85.

Labrador fish is not the superior article that shore fish is and usually commands only 60 to 75 per cent in value by way of return. But with respect to the shore fish the fisheries prices support board has recommended to the government that a deficiency payment of $1.30 per quintal, a little over one cent a pound, be paid to all fishermen independently of the price they may have received. I know some fishermen who received top prices. They were good fishermen and were lucky. They got their fish on the market at the beginning of the season and received top prices. They will also get $1.30, but those unfortunate enough to live a long distance away from the city of St. John's, where the top price was paid in September, those who were unfortunate enough to have bad weather in their communities so they could not make their fish in time, received low prices and the same deficiency payment of $1.30.

As I mentioned, some of them received an average of $5.50. They will get $1.30 added to that. It will be seen that $1.30 added to their $5.50 is very far removed from what the man will get who received the top price of $10.50 and has $1.30 added to that. I suppose the fisheries prices support board gave the matter long and careful consideration and felt that the only practical way to solve the problem was to give everybody $1.30 regardless of how much they had been able to get for their fish. The effect of the depressed prices last year was to drive a lot of people out of the fisheries. They could not go fishing this year. They gave it up. Some of them went to Goose Bay, some to Seven Islands, and others have gone to Greenland. Others have gone wherever they could find work. Some of them are working in the government-owned industries now being started under the new policy of the provincial government. The $1.30 has not yet been paid for the 1950 catch, and we are getting near the end of 1951. I do not know how the government thinks the people who received a little over 5 cents a pound for their fish last year have been living. The amount of $1.30 is not going to be paid until January. I have been asking questions in the house about the matter during the time the house has been in session, and it is always put off a couple of months ahead. Now at last in the new year I suppose the fishermen will begin to get $1.30.

Mr. Knowles: Just before the election.

Mr. Browne (St. John's West): I do not know if it is going to be before the election. I do not think it will amount to enough to influence the election down there. We come to the 1951 catch, and in many places this year the catch was good. It was better than in 1950, but not so with regard to the Labrador fisheries because most of the people who had been fishing there did not go there this year. There are two classes of fishermen who fish at Labrador. One is called the livyers, people who live there and fish, and the others are floaters who go there in large vessels. To a great extent the large vessels have abandoned the Labrador fishing. For them it is a thing of the past. It does not pay them to go there any more. They

have given it up and the government does not seem to be the least bit worried about whether or not they give it up.

But there are other fishermen whom I met recently and whom I also met in 1949, and about whom I can tell a story and give a comparison. In 1949 I was in the village of Ship Harbour on Placentia bay in my constituency. I was in a house there, and as I was having tea a vessel came in from the banks loaded to the gunwales. Everybody was delighted. I was in that same village three weeks ago in the same house. The man who was captain of the vessel that had come in with a load of fish in 1949 was sitting at the table twiddling his thumbs. He was not fishing this year. He had two vessels tied up to his wharf all summer. He had seven traps in the holds. He said to me: "I cannot give that stuff away; I cannot sell those traps for 25 cents, although I have $9,000 worth of material there."

Is the federal government really interested in the fishermen of Newfoundland? Is it really interested in the fisheries of Newfoundland? The minister is a brave man and has received a ribbon of honour for his visit to the Korean battlefront. I know he is a sympathetic person; but does he really intelligently understand the fisheries of Newfoundland? I doubt it. His parliamentary assistant lives nearer and ought to know more about it, but he has not the authority. It is necessary for the government to remember that they have to give a lot more consideration and attention to the fisheries of Newfoundland than they have shown during the last two and a half years if they do not want them to decline. I received a letter only a few days ago from a very fine fisherman who has been in the fisheries all his life. He lives in a fishing village on Placentia bay, and he tells me that men are going to leave the fisheries in greater numbers this coming season. He also stresses the point that although there was a good catch in many places this year the weather was bad and the cull is hard. That means that the inspectors of the merchants, or cullers as we call them, the men who pick out and grade the fish, are very strict, and the quantity of the higher priced fish is much smaller in proportion. Therefore the men are in exactly the same position as they were in 1950.

I call upon the government now to instruct the fisheries prices support board to recognize that situation, because it is equally necessary for them to give a deficiency payment for the 1951 catch as it was for the 1950 catch. I have here the report of the fisheries prices support board for the year 1950-51, which contains a résumé of the purposes of the act. I should like to put it on the record to remind hon. members that I am not asking for anything of an extraordinary nature when I ask the government now to give consideration to making a deficiency payment on the 1951 catch of salt codfish in Newfoundland. The report has this to say:

> The act which came into force in July, 1947, gives the fisheries prices support board the usual powers of a government corporation; provides a working fund of $25 million; and sets out the two methods that may be used to support prices of fisheries products. These methods are (a) the purchase of any fisheries product at a prescribed price and (b) the making of deficiency payments to producers of a fisheries product equal to the difference between a prescribed price and the average price at which such product was sold during a specified period.

Now, sir, that is what was done for the 1950 catch. The government set the prescribed price for which this fish should have been sold. They said it was $10.10, and the average price received by the fishermen was $8.80. Subtract $8.80 from $10.10, and you get $1.30. I continue:

> The act furthermore directs that in prescribing prices, the board shall endeavour to ensure adequate and stable returns for fisheries by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from fisheries and those from other occupations.

That was a very laudable object which the fisheries prices support board had in mind. I do not think they made a proper adjustment for the 1950 catch by giving $1.30 to a man who had received an average of $5.50. I do hope that this year they will profit by the experience of the past year and be a little more generous in their recommendations.

But, sir, that is not all about the fisheries. I do not suppose many hon. members in the house are familiar with the manifesto issued by the present premier of Newfoundland prior to the election that took place there on November 26. If they had been able to see that manifesto I think they would have been astonished, if they knew anything about the history of Newfoundland, because one of the policies outlined in this extraordinary manifesto is to take 10,000 men out of the fisheries and put them to work in factories. Anyone who has any knowledge of economics or sound economy for any country must realize that that is revolution. The number of people engaged in the fisheries last year could not have been much over 20,000. Perhaps the parliamentary assistant might know the figure, but I think it would be in the neighbourhood of 20,000. To take half the fishermen out of the fisheries and put them at jobs in factories would mean what? What would be the result? What would be the effect on the fisheries? Is it going to make the fisheries better? The premier of Newfoundland thinks

he is going to put new life into the fisheries by taking 10,000, or half the people, out of them. That is not all. I mention this not from the political standpoint but purely from the economic standpoint, and to draw the attention of the government and the officials concerned in the fisheries department to the policy being enunciated by the premier of Newfoundland. He says the men, women and children, the fishermen, their wives and their families, must be taken away from the slavery of making fish. That was the first time I had ever heard of fishermen being regarded as slaves. I have often heard of wage slaves, of people working in factories living like slaves, but I never heard of fishermen living like slaves, and I do not think it is a sound or sensible statement.

Again, the reason I am drawing it to the attention of the federal government is that this government has a paramount interest in the fisheries of Newfoundland. I do not know what the present policy of the federal government is, but fisheries come under its jurisdiction. What does it say in regard to the policies enunciated by the premier of Newfoundland? The fisheries board of Newfoundland is going to continue to operate for five years, but after that who is going to take over the management of the fisheries? Is it the federal government? Are they going to have anything to say in the meantime? Will the pattern be cut and finished when they take over in another two and a half years? I know the minister has expressed an interest and sympathy. He has advocated an advertising program. I believe he started a kitchen to show people how fish should be cooked, and only today I received a very pleasant surprise, namely a little book of fish recipes, telling us how to cook fish, anything from lobster to salmon, cod and herring.

Mr. Knowles: A very good book.

Mr. Browne (St. John's West): I am glad to know that the hon. gentleman thinks it is a very good book. I do not know what his wife will think of it.

Mr. Knowles: I have already sent it to her.

Mr. Browne (St. John's West): I am glad to hear that, too. I should like the minister to tell us what is the result of this policy that he enunciated with such enthusiasm and such confidence a year and a half ago.

Mr. Macdonnell (Greenwood): Have you a book telling how to sell fish?

Mr. Browne (St. John's West): That is another matter; that is something that he has not told us yet.

Mr. Noseworthy: That is fish of another fry.

Mr. Browne (St. John's West): I have tried to encourage the minister to have confidence in the fisheries; to get him to realize that the salt cod fishery is not a dying industry; that it is a most important industry in Newfoundland still. Despite all this industrialization program of the provincial government, the salt codfish industry remains an industry that has the most far-reaching effect. If hon. gentlemen could have seen the happy look on the faces of fishermen whom I met in the northern parts of Newfoundland last year when they were taking in hundreds of quintals of fish they would have realized the beneficial influence which a good cod fishery has upon the people. I do not know what they are feeling like now with the market depressed and prices low, but I am satisfied that the government has not been doing all that it might do to assist in the marketing of codfish. I noticed that two years ago we sold several thousand quintals of fish to Spain. None was sold last year. Although we were told that a contract was being negotiated, it never came through.

Spain used to be the best market for Newfoundland codfish, taking as high as 375,000 quintals a year. Last year they took none. Does anyone think for a moment that the Spanish people are not eating salt codfish? Of course they are. They are catching some of it themselves, and perhaps they are buying more—I believe they are—from Norway. Therefore there is a market there still which has to be negotiated. The minister told me on one occasion that Spain had a favourable balance of trade with this country. There is something to work on. There are other things which may be purchased in Spain, so that we might have a reciprocal trade agreement with that country. It is a country with a very large population, much larger than Portugal, which takes a great deal of fish, while Spain takes none. I therefore urge the government to explore every avenue to try to sell codfish in Spain.

Brazil is another market that began to deteriorate back nine or ten years ago, and we have not been selling much fish to Brazil. Certainly the government cannot overlook the fact that these countries regard salt codfish as a highly desirable food. It can be so well preserved and carried from place to place, and therefore there must be a need for it if they would only arrange the transaction. I do not say that it is an easy thing to do, but I think there may be a lot more done than has been done in the past.

To go back to this policy enunciated by the premier, of taking 10,000 men out of fisheries; what would be the effect of a policy such as that? Not only 10,000 men would go from the villages, but their families would go from them. Thirty or forty thousand

people would be taken out of those fishing communities and would go to the city of St. John's or wherever these industries are started, and live in crowded quarters, tenements and that sort of thing. They would not have the happiness of living in their own homes, and their property would deteriorate. I have a question on the order paper asking the Minister of Resources and Development (Mr. Winters) about how much money is being lent outside the city of St. John's. I do not think any money is being lent to these fishing communities to make the homes more attractive to the families of fishermen. It seems to me that if the people in the maritimes or in the west can complain about the amount of money that is going to be spent on the seaway project, then the fishermen in all parts of this country have some cause for complaint. They live in isolated communities, and see grand houses being built in the cities while no money is being lent to them to improve their living conditions. What will happen to the schools, churches and local amenities that have to be kept up by contributions from the fishermen if half the population is taken away? It seems to me to be a suicidal policy, and I believe the man who advocates it will find he has made a tremendous mistake.

In addition to those ideas I have mentioned, he also suggested in his manifesto that instead of the traditional way in which the fishery has been conducted he is going to introduce another revolution in the curing of fish. Instead of the individual fisherman going through the various stages of curing and selling his fish, as he has done in the past, the government is going to set up a central curing establishment to which the fishermen will bring their fresh fish. There it will be treated and cured, and from there it will be marketed. This sounds like a plausible scheme, but unless it is a co-operative project in which the fisherman will get his share of the profit or benefit as a result of working through this agency, then he will be even worse off than he is today. He will receive only the price for his fresh fish, which of course is the lowest price at which the commodity is sold. Naturally when the fish just comes out of the water it has a lower value than after it has been processed, salted and dried. In that way the fisherman's family add to the value of the fish and add to their income. If the policy of establishing this central curing agency is pursued it will not only destroy the independence of the fishermen but will make them far more dependent upon government assistance than they have ever been in the past.

On occasions I believe the federal government, as well as other people, have made reference to the change that is taking place in the cod fishery due to the expansion of the fresh and frozen fish market, especially in the United States. It is a tonic, therefore, to realize that in the past few days New England interests have been appearing before the United States tariff commission demanding an increase in the tariff on fresh fish imported into the United States. I say that is a tonic because it is a reminder to those people who are placing so much confidence in the United States market that this market may be lost over night. The difference of a half a cent a pound may ruin that market for us, and the tariff may be raised more than that. Next year is an election year in the United States, and it is possible that the tariff commission may do something to satisfy the New England interests who have always been jealous of the sales made by the Nova Scotia and Newfoundland fishermen in the United States market. I noticed, too, that not only Nova Scotia and Newfoundland fish is going into this market, but since 1948 the Norwegians have been selling frozen codfish in the United States market. Although in 1948 they sold only a small quantity, about $85,000 worth, this year the value of the fish sold was over $2 million. In the salt codfish markets of the world Newfoundland has been faced with Norwegian competition, and now Norway is going into the fresh fish market of the United States.

It would not be wise for the government to depend too much upon the expansion of the fresh fish market. In Newfoundland we are going to get two or three new plants this year, and several new draggers have been built or purchased during the past year. The federal government is experimenting wih new ways of catching fish. It seems to me, Mr. Speaker, that the chief problem facing the salt cod fishery is the marketing of salt codfish. The government need not be so worried about the question of catching the codfish. I believe the Newfoundlanders know how to catch codfish if the government can only assist them in marketing it. We have these new plants, these new vessels and these new methods, but I think it is a dangerous policy to allow the salt cod fishery to decline in the way it has during the past three years.

May I call it ten o'clock?

Some hon. Members: No.

Mr. Browne (St. John's West): I move the adjournment of the debate.

Some hon. Members: It is not ten o'clock.

Mr. Browne (St. John's West): Some of the members must like what I am saying

since they want me to continue. I have something which I should like to read. I should like to draw to the attention of the house a bulletin issued by the fisheries council.

Mr. Bryce: On a point of privilege, Mr. Speaker, is there any guarantee that we should be finished this debate if the hon. member is allowed to complete his speech? Is any other hon. member going to speak, because if he is there is no use sitting here.

Mr. MacInnis: It is ten o'clock.

Mr. Browne (St. John's West): I can finish in another fifteen minutes.

Mr. Knowles: It is ten o'clock.

Mr. Browne (St. John's West): I move the adjournment of the debate.

Mr. Speaker: In view of the fact the hon. member for St. John's West intends to speak only fifteen minutes longer, I suppose the hon. member for Selkirk withdraws his question? The hon. member for Selkirk suggested that this was the last speech. Shall we allow the hon. member for St. John's West to continue?

Mr. Adamson: I regret to inform you, sir, that it is not the last speech.

On motion of Mr. Browne (St. John's West) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall consider the Senate amendments to Bill No. 21, an act respecting the Canadian forces. I understand there are some minor amendments.

Mr. Knowles: Several pages of them.

Mr. Fournier (Hull): But they are repetitious. Then we shall consider Bill No. 33, an act respecting the St. Lawrence seaway authority; Bill No. 34, an act respecting the construction of works for the generation of electrical power in the international rapids section of the St. Lawrence river; then the resolution concerning the amendments to the Dominion Elections Act; the resolution concerning the National Gallery of Canada and the resolution to amend the Civil Service Act; then Bill No. 8, an act to amend the North Fraser Harbour Commissioners Act.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Tuesday, December 11, 1951

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

Second report of standing committee on external affairs.—Mr. Bradette.

NATIONAL DEFENCE

TABLING OF REPORT FOR FISCAL YEAR 1951

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I have the honour to table the report of the Department of National Defence for the fiscal year ended March 31, 1951.

NORTH ATLANTIC TREATY

TABLING OF COPIES OF PROTOCOL FOR ACCESSION OF GREECE AND TURKEY

Mr. Jean Lesage (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. Pearson) I beg leave to table three copies of the French and English texts of the protocol to the North Atlantic treaty on the accession of Greece and Turkey, signed at London on behalf of Canada and other members of NATO on October 17, 1951.

GRAIN

PROVISION FOR SHORT-TERM CREDIT TO PRODUCERS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a bill to make provision for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties, arising from inability to complete harvesting operations or to make delivery of grain, through bank loans guaranteed by the crown with limitations including a limitation to the effect that the liability of the crown to pay losses will not exceed $5 million; moneys payable under the act to be paid out of the consolidated revenue fund.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

NATIONAL DEFENCE

INQUIRY AS TO REFERENCE OF ANNUAL REPORT TO COMMITTEE ON DEFENCE EXPENDITURES

On the orders of the day:

Mr. Gordon Graydon (Peel): The Minister of National Defence has just tabled the annual report of the department. I should like to know whether it is his intention to refer it to the special committee on defence expenditures.

Hon. Brooke Claxton (Minister of National Defence): As far as I know it is not the practice to refer annual reports to committees. The report is available for consideration by all hon. members of the house.

Mr. Graydon: Including the committee.

Mr. Claxton: Within its terms of reference.

CANADIAN FORCES ACT

TO PROVIDE FOR COMPENSATION, PENSIONS, ETC. —CONCURRENCE IN SENATE AMENDMENTS— CONSEQUENTIAL AMENDMENT

Hon. Brooke Claxton (Minister of National Defence) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 21, respecting the Canadian forces.

He said: I move:

That the amendments made by the Senate to the Bill No. 21 sent up from the House of Commons, intituled: "An act respecting the Canadian forces," be concurred in with the exception of their sixteenth amendment to which this house proposes the following consequential amendment:

That subparagraph (iii) of paragraph (d) of section two of the Veterans Land Act, 1942, as proposed by the Senate be deleted and the following be substituted therefor:

"(iii) who, wherever he may have served, is by reason of disability attributable to or incurred during such service in receipt of a pension."

And that a message be sent to the Senate to acquaint Their Honours therewith.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, these amendments really deal with twenty-four acts. The amendments from the other place occupy some seventeen closely printed pages in our *Votes and Proceedings.* I have compared them with the original sections in Bill No. 21 as passed by this house, but without referring to each of these

twenty-four acts in their original form it is a little difficult to understand exactly what the amendments made by the other place consist of. I think before we concur in these amendments we should have some explanation with respect to each of them from the minister.

Mr. Claxton: Mr. Speaker, I was just about to make that explanation when the hon. member rose. The bill, as hon. members learned when it was before this house, is largely technical in character. A very large number of the amendments were textual in that they substituted the word "army" for "military". When the bill came before the other place it was decided that it would be desirable, instead of making the proposed amendments to the various statutes by deleting one word and substituting another, to set out the section as amended in each case. That was done, and that disposes of all the amendments proposed by the other place with the exception of one.

There is only one amendment which is not of that character. I want to make it plain that all the amendments proposed in the other place, with one single exception, simply have the effect of replacing the whole section with a new section rather than merely substituting for the amended word the word of the amendment. Therefore they are not substantive in any respect whatever. The single exception is also purely of a technical nature. When clause 16 came from the other place it was found there was a clerical error in the amendment to clause 16 as it was proposed. This error would result in the re-enactment of a provision of the Veterans Land Act in the same language in which it appeared prior to an amendment made in 1949. That amendment brought the definition of "veteran" in the Veterans Land Act into line with language used in the Pension Act. If we were to accept the proposed amendment to clause 16 in its present form, we would be restoring the law as it existed prior to the 1949 amendment, which of course would be undesirable. In other words, in proposing this series of amendments in the other place the law officers there in one instance used the name of a statute which is no longer its proper name, and I propose to move an amendment to this amendment in order to correct that error.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is clear that the consequential amendment proposed by the Minister of National Defence (Mr. Claxton) is one that should be made, and I am glad to support it. But I feel that with respect to the series of amendments sent to this house by the other place I must say that I regard them as the most ridiculous set of amendments I have seen in parliament for a long time. The Minister of National Defence has pointed out that, with the single exception of the case which he now seeks to correct, none of the amendments proposed by the other place has any effect in substance whatsoever. All that Their Honours have done is to make the Canadian Forces Act two or three times more bulky than it already was in the form in which it went through this house.

I have taken the trouble, because after all it is our job as members of parliament, to check the amendments proposed by the other place and to compare them with the sections in the House of Commons bill which they seek to amend. I find that out of twenty-nine sections in the bill Their Honours have rewritten in whole or in part twenty-two of them. I find, as the Minister of National Defence has pointed out, that in most cases they have rejected the House of Commons proposal for a simple amendment that just changes the word "military" to "army" or something like that. In its place they propose that the whole of the section be deleted and that the section as amended be put into the amending statute. I appreciate the fact that those who put forward this idea in the other place said that the purpose was to make the law more clear. I suggest that they have added to the confusion.

As the bill was brought into the house by the Minister of National Defence, drafted I take it by our law officers, I think it was not too bad. In each specific case where an act was being amended it was set out in the simplest possible language. For example in subsection 1 of section 3 of our bill we said that wherever the word "military" appeared it should be struck out and there should be substituted therefor the words "naval, army or air". I submit that when one is looking at a statute and learns that it is amended it is far easier to tell what the amendment is if the amending statute draws your attention to the one word that has been changed, pinpointing it as our bill did, rather than having to read the whole of the section over again as Their Honours propose and then go back and read it two or three more times to try to find out what the difference is in case it escaped you the first time you read it.

I submit that Their Honours have done a ridiculous job and have made the whole thing far more confusing. If that is the best they can do in the other place it is time the other place was abolished. Let me give some concrete examples. Section 3 of the bill as passed by this house consisted of seventeen

lines of type. By the way, it is 11 point type, 24 ems wide. Their Honours replaced it with a full page and a half of 9½ point type, 30 ems wide. There is no reason why I should not add to the confusion—since that is what Their Honours have done—by introducing these technical terms. But my point is that if we go through this bill section by section, and accept Their Honours' proposals that we delete a few lines and put in twice as many lines, or that we delete a few lines and put in two or three pages, the result will be that when we get through, instead of having a relatively simple bill such as the Minister of National Defence (Mr. Claxton) brought in, we will have a very complex document.

I point out further that, in ordinary practice, people who have to refer to statutes do not for the most part refer to the original act and then to the amending statutes. What they normally refer to, in ordinary practice, is an office consolidation. That office consolidation is prepared in such a way that amendments such as these are incorporated in their proper place. I know office consolidations are not supposed to be admitted in court; but in ordinary practice they are used by those who wish to find out what the law is in a given case.

But in addition to the practice of using office consolidations, we have at this particular time in our legislative history the fact that we are revising the statutes of Canada. We passed an amending bill in respect to that only a few days ago. We know from the Minister of Justice (Mr. Garson) that when those revised statutes come out they will be known as the revised statutes of 1952, and they will include all the legislative acts passed by parliament up to the end of 1951. It seems to me quite clear from that that these minor technical, one-word changes made by the Minister of National Defence in his bill will be distributed through the various statutes, and this amending bill will no longer be one to which people will have any occasion to refer, at all.

It looks to me as though Their Honours realized they do not have anything to do. They just thought up a job for themselves and, instead of giving the country evidence that they are working, they simply have given the country evidence of the fact that that other institution should be abolished.

Mr. Speaker: Order. That question is not before the house at the present time. The hon. member should not cast a reflection upon the other place.

Mr. Knowles: Well, no one in this house is more anxious than I am to obey the rules, and I respect your stricture that I must not cast a reflection upon Their Honours. They have done it themselves.

An hon. Member: They "did" it themselves.

Mr. Knowles: They "have done" it themselves. And it is not the first time. I was referring to a few of these cases. Section 4 of our bill said all that needed to be said in four lines of large type. They propose that it be said in ten lines of small type. Accepting Your Honour's ruling I must not comment; but surely I can say to this House of Commons that we ought not to be asked to pass such a ridiculous amendment as that.

Then, I move on to the next, dealing with section 5. We said in our bill all that needed to be said in sixteen lines of large type. They rewrote section 5 to the extent of a full page and a half of small type. The next one, section 6, for some reason or other they did not decide to change. It is fairly long, and I suppose they thought that it is already long enough.

Then we come to the next one, section 7, which is headed "Exchequer Court Act". For what was said in the bill in eleven lines of large type they propose to substitute twenty-two lines of small type. And so it goes on.

I turn to another example, that of section 24 in our bill, in which we dealt with the Statute Law Amendment (Newfoundland) Act—and I congratulate the Minister of National Defence and the law officers of the crown, or whoever it was who drew up the bill, upon doing a good job on section 24. They said all that needed to be said, and said it in fifteen lines of large type. More than half of those lines are very short ones. There it is, set out so that anyone, be he lawyer or layman, can understand it quite clearly. But Their Honours were not satisfied with fifteen lines of large type. Oh no; they propose, in place of those fifteen lines, two full pages of small type.

But the honey of them all, of course, is section 19. Section 19 in our bill is one which deals with the War Service Grants Act, 1944. It is a little longer than some of the others. But Their Honours have taken the forty-eight lines of large type, which said what needed to be said quite clearly, and, as set out beginning at page 271 of *Votes and Proceedings* for Wednesday, December 5, they have substituted four full pages of small type. Could anything be more ridiculous? It is completely unnecessary.

It is unnecessary because office consolidations are always prepared. It is particularly unnecessary because we are going to have revised statutes within a very short time. And, not only is it unnecessary, but it means

that the ordinary person looking at these four pages of amendments to this section will have to take a magnifying glass to pore through it, to try to find out what the change was.

The way the bill was brought to the house it was quite clear as to the change the government wanted to make. I have made a number of references to the fact that the bill is set up in large type. It is 11 point roman, to be exact. *Votes and Proceedings* is set up in much smaller type—again to be exact it is 9½ point excelsior on a 10 point slug.

If the amendments are accepted by this house—and I say they should not be—the bill will have to be reprinted, so that all these amendments may be incorporated in the reprint. When one tries to compare these two sizes and styles of type, it is pretty difficult to estimate what the result will be, so far as the number of pages to be occupied by the amended bill is concerned. It has not yet been reprinted. I take it the reason it has not been reprinted is that there is still a question whether or not this house will agree to the amendments made in the other place. I have made a rough estimate and, having had some experience with these things, my estimate would be that the bill, which now occupies only fourteen pages, will occupy at least thirty-five and perhaps might run to fifty. That is the only practical result of the amendments now before us, namely, that we should substitute for a document which did the job in fourteen pages one which seeks to do the job, although in a more confused manner, in from thirty-five to fifty pages.

I hope it will not be out of order for me to make this reference, namely, that the day after Their Honours passed the bill, arguing that all these changes needed to be made, with this resulting bulky document, in that same other place senators got up and said there was too much printing being done around this place, and they proposed that a committee of the Senate should go into the question and find out if there is not some way in which the amount of printing can be cut down. Well, even Your Honour will have to admit that that only adds to the ridiculousness of the whole picture. It is complete inconsistency. What I said a while ago, when Your Honour ruled me out of order, is certainly true.

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

Mr. Knowles: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division, amendments read the second time and concurred in.

[Mr. Knowles.]

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 33, to establish the St. Lawrence seaway authority.

Mr. Adamson: Is the minister going to make a statement?

Mr. Chevrier: I have here a statement which explains the purpose of the bill. However, the other evening a number of questions remained unanswered. I would deem it a privilege if I could make the statement and answer the questions at the same time. I would prefer to do that in committee of the whole, and if that is agreeable to the house, I would proceed on that basis.

Mr. Adamson: If the minister does not propose to make a statement on this project, I should like to say—

Mr. Chevrier: No, that is not the position I have taken. I have a statement here which I think should be placed on the record at this time in so far as the bill itself is concerned. It explains the purposes of the bill. Any of the remarks that I have made thus far have dealt with the resolution and with the subject in a general way, but the remarks I should like to make now deal with the bill itself. There has been no definite explanation of the bill. Since I must make the statement now I shall, of necessity, have to make one later in replying to many of the questions that have been raised. I simply asked the permission of the house to do both at the same time when we are in committee of the whole, and wondered if my hon. friend would not consent to that.

Mr. Adamson: I feel that on the second reading the whole purpose of the bill can be debated in a general way, whereas in committee of the whole a more detailed discussion takes place. If the minister would not mind, I feel it would probably help the debate if he would make his statement at this time when we are dealing with the bill in a general way.

Hon. Lionel Chevrier (Minister of Transport): If it is the wish of the house, then I bow to it. I hope that during the course of the debate I shall not be charged by hon. members with not replying to the questions. I am now offering to deal with them to the best of my ability, and I hope to the satisfaction of hon. members who have raised them, but I shall not be able to do that now until we are in committee of the whole.

The bill which is now before the house provides for the establishment of a corporation to be called the St. Lawrence seaway authority. The main provisions of the bill fall into four parts: one, constitution of authority; two, purposes, capacities and powers of the authority; three, tolls; four, financial provisions.

The authority to be set up under the bill consists of a president and two other members to be appointed by the governor in council. They will hold office for a term not exceeding ten years and will be paid salaries to be fixed by the governor in council.

The authority will be an agent of His Majesty, and will have power to enter into contracts either in its own name or in the name of His Majesty. It will also be enabled to hold property in its own name and to bring or defend legal actions.

The president will be the chief executive officer, and he will be charged with the direction and control of the business of the authority. The president may, subject to the provisions of any bylaw, delegate any of his powers to the other two members. The authority will be authorized to employ such officers and employees as it may determine, and these officers and employees will not be officers or employees of His Majesty. There is provision for a pension fund for the members, officers and employees of the authority.

The purposes for which the authority is established are found in section 10 of the bill. This section provides that the authority is incorporated for the purposes of:

(a) acquiring lands for and constructing, maintaining and operating all such works as may be necessary to provide and maintain, either wholly in Canada or in conjunction with works undertaken by an appropriate authority in the United States, a deep waterway between the port of Montreal and lake Erie;

(b) constructing, maintaining and operating all such works in connection with such a deep waterway as the governor in council may deem necessary to fulfil any obligation undertaken or to be undertaken by Canada pursuant to any present or future agreement.

Section 11 of the bill provides that the authority shall, for the aforesaid purposes, have the capacities and powers of a natural person as if it were a corporation incorporated by letters patent under the Great Seal.

The authority is also given power to lease lands, property and water power, to borrow money up to a maximum limit of $300 million, and to manage and operate any canals or works similar or related to the works covered by the act that may be entrusted to the authority by the governor in council.

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The authority is also given power to expropriate land and the provisions of the Expropriation Act are made applicable to the exercise of this power by the authority.

Section 15 gives the authority power to charge tolls on vessels navigating the canals and their cargoes. In the first instance the authority establishes the tolls to be charged. The tariffs are filed with the board of transport commissioners, and any interested person may file a complaint with the board as to unjust discrimination. The board will then make a finding on the complaint and report this finding to the authority. There is provision for appeal, and section 52 of the Railway Act relating to appeals is made applicable to the findings of the board.

The bill provides that the tolls charged by the authority shall be fair and reasonable, and shall provide a revenue sufficient to defray the cost to the authority of its operations in carrying out its purposes, which cost shall include—

(a) payments in respect of the interest on amounts borrowed by the authority.

(b) amounts sufficient to amortize the principal of the amounts borrowed over a period not exceeding fifty years, and

(c) the cost of operating and maintaining the canals and works under the administration of the authority, including all operating costs of the authority and such reserves as may be approved by the minister.

Provision is made in section 17 to cover the establishment of tolls in case of works constructed by the authority in conjunction with works undertaken by an appropriate authority of the United States.

Sections 25 to 27 inclusive provide for loans and guarantees by the crown. Section 25 provides that the Minister of Finance, with the approval of the governor in council, may make loans to the authority out of the consolidated revenue fund or guarantee payment of principal and interest on money borrowed by the authority. It should be noted that no such loans and guarantees shall be made or given in any fiscal year except to the extent that parliament has authorized such loans and guarantees in that year. Parliamentary control of the financing of the authority is thus ensured.

Section 26 provides for temporary loans to be made by the Minister of Finance to the authority not to exceed an aggregate amount of $10 million. The power given to the authority to borrow is limited to an aggregate of $300 million, so that the amount of the loans or indebtedness shall not at any time exceed

this maximum. The accounts and financial transactions of the authority are to be audited by the Auditor General.

There are, Mr. Speaker, a number of other sections in the bill which speak for themselves, and upon which I do not think I should make any comment at this time. I did feel, however, that a short statement should be made as to the general purport of the bill, and as hon. members have seen it can be divided into these four divisions. I believe that is all I should say at the moment.

Mr. Rodney Adamson (York West): I am very glad to have the statement of the minister at this time on this most important work. The only criticism one could possibly make of the development of the St. Lawrence, both for the purposes of navigation and power, is that it probably comes fifty years too late. The development of the St. Lawrence is a further step in the fulfilment of our national destiny, called the national policy by Sir John A. Macdonald at confederation. During the time of the financial panic in the United States Roosevelt said that the only thing the United States had to fear was fear. We are less prone to the hypnosis of fear than the people of the United States. The only thing we Canadians have to fear is timidity. When we have failed, our failures have all come from leaving undone the things we ought to have done, and undeveloped the things we should have developed. The St. Lawrence is a link in the chain of the national policy as dreamed of by the fathers of confederation. Like the transcontinental railways, the project will be a great unifying work for the stability and the solidarity of Canada. Sir John saw Canada as a great industrial nation, and we must not lose that dream. This development is but a part of it.

It used to be said that trade follows the flag. The modern adaptation of this saying is that industry follows power. Ever since the industrial revolution it has been the history that industry developed where there was an adequate source of primary power. Up till recent times this has been coal. Now it is electricity, in Canada developed by water and gravity; and it may be, possibly during our lives, derived from atomic force.

The national policy, as I see it at the half century, shall be that the first responsibility of any federal government to Canada is to encourage the development of every source of primary power, no matter where it is situated in Canada. We have recent examples of developments—for example, the Kitimat development in British Columbia, which has been the result of an amazing bit of foresight on the part of a group of industrial people who are developing that part of the country in northern British Columbia.

I believe it is part of our national responsibility that every power resource that can be developed must be developed, and that it is a prime responsibility of the federal government to do so. I wish here to say that the power resources—whether they be in the maritimes, such as Passamaquoddy, the Chignecto canal, the great untapped developments of north-flowing rivers from the height of land to the Arctic ocean, or the developments in the prairies, such as the South Saskatchewan and elsewhere—are all part of our national heritage. They are all part of the vision of development that the fathers of confederation had. Unless we are prepared to see that every single bit of natural resources is developed in Canada, we are not going to meet the challenge and to achieve the destiny envisioned by the pioneers, the fathers of confederation.

The next and equally important requirement in addition to power is an adequate supply of raw material. If this is not available at the site of the power development or the coal mine then cheap transportation—and water transportation is by far the cheapest—must be available to bring the raw material to the power; because there is an economic limitation on the distance over which power can be transmitted. For all practical purposes that distance is about 400 miles. The unique feature of the St. Lawrence is that it provides both power and transportation. It will bring to the sea an industrial area with a production at present as great as that of the whole of the continents of Africa and Asia.

Canada's industrial growth to an industrial nation has taken place in the comparatively recent past in conjunction with the development of electric power. I want to mention for example the development of the province of Manitoba. Manitoba has not been thought of as an industrial, but rather as an agricultural province. Yet figures recently given in this house by the new hon. member for Winnipeg South Centre (Mr. Churchill) showed that Manitoba today is an industrial province and is shortly going to be one of major proportions. That situation has been brought about largely because of the development of hydro-electric power in that province.

Canada's economy must be strengthened by doing as much as possible of the manufacturing and processing of our raw products before they are exported. Power and population are essential for this purpose. In the Pre-Cambrian shield north of the agricultural belt in the central provinces, we have an

enormous base metal and other mineral potential. Much of this has now been developed, but a great deal more awaits development because of the question of transportation and the question of bringing to the mine the necessary fuel for smelting.

A friend of mine, who is connected with one of the major base metal companies, said that, were this transportation and power project to be developed, his company would seriously consider sending their concentrates for smelting either to tidewater or to the canal. This would not only result in a lower price for the final product but make available vast new deposits of low grade ore in the north country.

The steel industry, which is probably of the most vital importance to the economy of any country, is greatly dependent upon this deep waterway and upon the power as well. I remember that some years ago, when the Steep Rock development was fully proved but had not yet been properly opened up, when $10 million of new capital was required to develop the mine, we unfortunately had to go outside of Canada to obtain that capital. The development was financed through United States capital, and in consequence a great deal of that ore will have a primary duty to go to United States mills. One can understand that, but at the time to me it seemed a pity that we were not able to do in Canada the essential financing of that iron ore deposit. The question of Labrador of course is a major one for the economy of the whole continent, I might say almost the whole world, because with the gradual exhaustion of the central iron range in Minnesota, and the lack of any new discoveries, apart from Steep Rock, of high grade iron ore in the centre of this continent, the entire continent—I speak continentally—faces a shortage of the essential sinew of her economic production.

The iron ore from Labrador is a natural challenge to us in Canada, and it is imperative that our steel industry, no matter where it is situated at the present time, shall be able to have a sufficient supply of that iron ore to maintain and to increase itself, because the steel industry is the one on which the whole economy of our basic and secondary industry depends. Steps should be taken to ensure that the ore from this development, or sufficient of it, should be made available to our own steel industry.

I then come to the shipping industry. A speech was made in this house the other day with which I regret I cannot agree. With an adequate canal from tidewater to the great lakes we may expect a tremendous increase in the shipping industry in Canada. We have considerable facilities now and we have the ability to increase those shipbuilding plants along the great lakes. I am speaking this way because I disagree with what has been said about the danger to this industry. To give the history of the Panama canal, the same argument was put up in opposition to the Panama canal, that it might destroy the shipping industry along the Pacific coast. Actually the very reverse happened, and today from Vancouver right down along the Pacific coast the shipbuilding industry has been a major factor in the development of the economy of that coast. So will, I am sure, the shipping industry benefit from the opening up of this deep canal.

The canal is to be twenty-seven feet deep, and that will adequately take care of, I believe it is, very nearly 90 per cent of all the ocean-going ships that are in existence at the present time. Therefore we have no real danger for the shipbuilding industry. As a matter of fact we are likely to have a tremendously increased market for that industry.

Special types of ships will be constructed for the trade of the great lakes, as there have been special types of shipping constructed for nearly all the trade of the world. A special type of ship ran from the Argentine to England with chilled meat. There are other special types of ships—or there used to be—designed for that, and until the government of Great Britain ceased to buy meat, or was unable to buy meat, from the Argentine, these ships plied the very lucrative trade. Other special types of ships were built for frozen meat from New Zealand and Australia. I mention this merely as an example of the extent to which our shipbuilding industry on the great lakes may be expected to expand. Unquestionably new types of ships will be developed in Canada for specific trade that we do not know very much about at the present time, not merely bulk ore carriers and bulk grain carriers but specific ships developed for various different trades.

Then I come to the coal industry. It was said in the railway committee that the economic limit of Canadian coal from eastern Canada was somewhere near Montreal. I think the president of the Canadian National Railways said that the economic limit of Canadian coal was somewhere in the Montreal district, or around Montreal. With adequate shipping facilities—and, Mr. Speaker, it is not at all beyond the realm of possibility that with modern icebreakers the St. Lawrence can be kept open practically all the year—the area served by maritime coal is surely likely to be greatly expanded with this development. Up to now we in the

central provinces have been dependent very largely upon United States coal, and the new generating stations at Windsor and Toronto are completely dependent, or were dependent, upon United States coal. If we can extend the area in which we could use our own coal, surely that is one of the useful things that this project will bring about.

Mr. Chevrier: Hear, hear.

Mr. Adamson: I am glad the minister says "hear, hear". I do not know how far that coal can be economically shipped, but I do believe that this development will greatly enlarge the area.

I mention these things, Mr. Speaker, because this project is a great link in the development of Canada as a whole. It must be considered not alone for its benefit to one part of Canada. It will, I think, be found to be of great and enormous benefit to the country as a whole.

I am not going to go into the opposition to it at great length, but I think something should be said in this house as to the opposition to the St. Lawrence deep waterways—both that, and the power development. The deep waterway has been under active discussion for twenty-seven years. Tentative legislation has been under consideration for that length of time. I think the first bill was presented in 1931 or 1932 by the government of Mr. Bennett.

Almost all the opposition is from extremely powerful lobbies in the United States and I think some mention must be made of this fact at this time. I do not propose to criticize in any way the United States form of government, but the fact is that under their system a powerful minority can and will block, and has blocked, an essential development for the national good in order to serve its own selfish interests. I say that without rancour or any feeling of animosity. Those who are opposed to this are acting in their own interests and because they feel that that is the proper thing for them to do.

I say in all seriousness that we are never likely to get an agreement on this matter through the United States congress. There are names and personalities which I might cite who have set themselves up in opposition to this development and have been and still are able to defy the wishes of both the major political parties in the United States and of every president since Coolidge. There is no reason to believe that their power has diminished in any way and we are not being realistic if we expect them to change.

This opposition is just like two men who jointly own a tool shed in which they store the necessary tools to prepare and keep their gardens fertile and prosperous. Each has a key to open the door which has two locks. One man comes over with his dog and little boy who prevent him from putting the key in the door and opening it. In this case the United States government has asked repeatedly for this development but the dog, in the shape of the United States Senate, and the boy, in the shape of the United States House of Representatives, have refused repeatedly to let their Uncle Sam use his key and thereby pass the legislation. I think we must recognize these facts and be prepared to go ahead with the project no matter what happens.

If there is anything that is likely to cause delay it is for this house to show reluctance to proceed with the waterway and the power development, which latter of course is a natural resource of Ontario and Quebec, with resolution and determination, and alone, if need be. We hope to have the co-operation of the United States because that would be infinitely better; but, if that is not to be, there should be no holding back on this development. There can be no saying that we have not enough information. There can be no suggesting that we should have more time to study this, that or the other angle.

All these angles have been studied and studied for decades. Competent engineers and economists and businessmen have almost unanimously backed the project. The time is now. There can be and there must be no further delay. We have the know-how, the money and the vision—we must put them to work. I had hoped that both bills would be considered at the same time because a great deal of what I have said applies to both the power and navigation projects. If there was ever a time when we must be resolute, it is now and in connection with this matter. We cannot be put off even though we get no assistance whatever from the United States.

The St. Lawrence canal must be proceeded with. No longer can the production of an area which equals the production of the entire continents of Africa and Asia be denied raw materials and adequate cheap transportation to the sea. That is the challenge. That is the problem facing this house today. I say in all seriousness: Let us get on with it; let us brook no more interference; let us show that timidity is no part of the heritage left to us by the fathers of confederation. Our destiny as a nation demands action now.

Mr. G. T. Fulford (Leeds): Mr. Speaker, I think we all owe a great debt of gratitude to the Minister of Transport (Mr. Chevrier) for the splendid way in which he has presented the purpose of this bill and the other bill which is to follow. I understand that we will be in order when discussing

this bill to set up the St. Lawrence seaway authority to refer to the other bill with regard to the development of hydroelectric power. The presentation by the Minister of Transport was both comprehensive and logical. He not only gave a concise history of this great scheme but also showed the tremendous benefits that will accrue not only to Canada but also to the United States from the construction of the St. Lawrence seaway and hydroelectric development. In fact I find it particularly hard at this time to get on my feet and say anything that the minister has not already said, but at the same time I have a few random thoughts that I should like to present to the house. I might say that on several occasions I have spoken in this chamber on the subject we are now discussing, and furthermore I have addressed service club meetings in both eastern Ontario and northern New York state. I find that there is general unanimity of thought in this section of the province of Ontario and in northern New York state.

Unfortunately, however, there are still many sections of the United States, particularly on the Atlantic seaboard and in the deep south, where the majority opinion is against the building of this great national and international project. In the issue of *Fortune* magazine of December, 1950, there appears an article entitled, "Battle of the St. Lawrence", written by Freeman Lincoln. With your permission, Mr. Speaker, I should like to read the opening two paragraphs. They are as follows:

> A brief look at the map of the world will do for a snap judgment as to the common sense of the man made ditch across the isthmus of Panama and of that other ditch linking the Mediterranean and Red seas. Strong instinct says that the building of the Panama and Suez canals at whatever cost was inevitable and right; that if they had not been built there must have been sharp and dirty knife work at some political cross roads. On the proposition of constructing a deep waterway in the St. Lawrence river to tie the North American great lakes to the Atlantic ocean and so to the world the verdict will be the same. The St. Lawrence seaway will give access to an inland sea whose busyness is indicated by the fact that more yearly tonnage passes through one of its bottlenecks, the locks at Sault Ste. Marie, than passes through the Panama, Suez, Manchester Ship and Kiel canals combined. It will give Canada and the United States together a new seacoast more than 8,000 miles long with ports such as Montreal, Toronto, Buffalo, Cleveland, Toledo, Detroit, Chicago and Milwaukee. The project also includes a power station on the St. Lawrence that will allow Canada and the United States to divide twelve billion kilowatt hours of cheaply produced electric power each year, enough to take care of greater New York's annual needs.

Further on, in explanation of a map of North America, there is a short sentence which I think is also worth putting on the record. It reads:

> The St. Lawrence seaway project, now battered and hackneyed after fifty years of futile argument, will provide deep water transportation between the Atlantic ocean and cities on the great lakes, with a hydroelectric power station of greater capacity than Grand Coulee added for good measure.

The article is worth reading in its entirety. It is a wonderful record of the history and development of the St. Lawrence seaway project, but the article also shows the powerful lobby that has been against this scheme for so many years. There is an organization in the United States known as "The National St. Lawrence Project Conference", the subtitle of which is, "A Nationwide Organization in Opposition". There are no less than 250 separate organizations within the framework of this one organization. Offices are maintained in Washington, and the sole purpose is a constant lobby against the seaway in the United States congress.

We have seen how successful the lobby has been in the past. We have seen how it has deprived not only Canada but many American states as well of the advantage of this vast scheme, which must go through. I feel that the best method has been devised in order for Canada to proceed with the scheme on its own. As the Prime Minister (Mr. St. Laurent) said to a group of college students and graduates at St. Lawrence university in Canton, New York, a year ago last June, Canada has been very patient but our patience is wearing very thin.

In setting up an authority, as the Minister of Transport (Mr. Chevrier) has outlined to the house, we will have found a means of financing this great project without the necessity of calling on the hard-pressed taxpayers of Canada. As has been explained, tolls are to be levied against ships and their cargoes, ships of all nations and cargoes of all kinds. These tolls will be applied against the normal operating expenses of the canal that are involved in keeping the canal open for navigation and the locks running, and furthermore they will be used to amortize the bonds.

Unfortunately much publicity was recently given through the press of Canada to a statement made that the farmers of the west would be obliged to pay for this great scheme. They will make their contribution but it will only be a part of the payment, and I do not think anybody minds paying a contribution if it means a reduction in freight rates. I understand an estimate has been made that freight rates will be reduced approximately four cents a bushel by shipping through the great lakes and the St. Lawrence seaway. The statement claiming that the western farmers will pay for the seaway is unfair because all ships and all

cargoes, as has been said before, will be paying tolls. I regret that this statement was made by a prominent Canadian ship owner, and furthermore that it was made in the other place.

I find it very hard to understand the attitude of certain members of the house. They preface their remarks by saying that they are all for the St. Lawrence seaway, and then they proceed to pick it all to pieces. It is quite evident that this attitude is a sectional one and completely cuts across party lines, as demonstrated by the speech just made by the hon. member for York West (Mr. Adamson) and the speech made last week in this chamber by the hon. member for Simcoe North (Mr. Ferguson). I wonder if those members who preface their remarks by saying that they are going to support the seaway and then try to throw every obstacle in the way of the passage of the legislation are not doing so for one of two reasons, or perhaps both reasons. The first, of course, would be to have their remarks published in the home papers for the reading enjoyment of their constituents. The other reason, a little more sinister, is that by introducing this delaying action these bills would not be passed at this session, but would have to wait until the next one. By that time they believe they will have mustered enough force to bring pressure against passage of the bills once and for all. I hate to think that this could be the motive. Nevertheless, speaking as they have, one cannot help feeling there is something more behind it than just the procedure of addressing Mr. Speaker.

I must say the statements of certain members, particularly from Ontario, are very different from those issued by the premier of Ontario and by the chairman of the Ontario Hydro Electric Commission, both of whom have demanded—not requested—have demanded immediate action. Furthermore I am told the government of Quebec has signified its intention to make further developments at Beauharnois, and also in connection with new hydroelectric installations at Lachine.

Living as I do on the banks of the upper reaches of the St. Lawrence river, naturally I am unequivocally supporting the two bills. I live twelve miles above Prescott. Every day during the season of navigation I see the small canal-size steamers plying their trade back and forth. When the grain begins to move I see the large upper lake freighters bringing their vast cargoes of wheat down to the Prescott grain elevator, where it must be stored for transshipment to Montreal in the small canal-sized freighters. What a waste, to see these small ships of canal-size plying back and forth, when one realizes that one of the upper lake steamers can carry as much as ten of the smaller ships. The economy of the whole system is unsound. It means larger crews, larger fuel consumption and more of everything, thus bringing about an uneconomic system.

We see also the small tankers coming up from Montreal laden with refined gasoline, and returning empty. Some day I visualize the large tankers going to the head of the lakes, and there filling with the petroleum now being piped half way across the continent from the Alberta oil wells to the vast storage tanks at Superior, Wisconsin. This would bring Canadian oil to the refineries at Montreal, which are now dependent for their oil supply upon the pipe line built during the war from Portland, Maine, to Montreal. The crude oil is piped from Portland after being unloaded from the tankers that pick it up in South America, the Near East and Texas. This is another reason why it is essential that the larger tankers be permitted to carry Canadian crude oil rather than the crude oil produced from wells in other parts of the world.

I find it very difficult to understand why North Americans are so loath to take advantage of the great God-given resources of our two nations. Forty miles below Prescott one sees the awe-inspiring sight of the Long Sault rapids. At this point a power dam capable of producing 2,200,000 horsepower is to be built. This is to be divided equally between Ontario and the state of New York.

In eastern Ontario I do not visualize vast wharves connected with the loading and unloading of grain, nor do I see the building of vast drydocks; but I do see us on the threshold of the largest constant potential supply of electrical power in the world with every port along the upper reaches of the St. Lawrence river and the great lakes a potential seaport.

My mind goes back three years to the power blackouts we had not only in eastern but throughout central and southern Ontario. We have been warned by responsible engineers, and other men in authority, that we may look forward to a similar power shortage within four years, unless the mighty waters of the St. Lawrence river are harnessed. If we are obliged to undergo these objectionable blackouts, not only are they an inconvenience to householders but, far more important, they put a tremendous crimp in industry and are seriously detrimental to the proper operation of farms.

In a time of peace a shortage of power is unfortunate; in the event of war a power shortage is a national disaster. Under no circumstances must this be allowed to occur.

The answer to the power shortage, the answer to additional navigational facilities, the answer to the proper development of the ore bodies in Labrador, all lie in the passage of these two bills now before the house.

If we cannot have the support of our neighbours in the United States, then we in Canada must go ahead on our own. Naturally we would prefer to have a joint undertaking. But in the event that these lobbies about which I spoke earlier are so powerful that they will prevent the legislation going through the United States congress, we have no alternative but that of going ahead on our own with the St. Lawrence seaway authority and the building of the St. Lawrence seaway. I commend highly the stand our government has taken in this connection.

I am confident most Canadians rejoice in the government's having devised a means whereby Canada can go ahead on its own, with this tremendous scheme, and without any further delays, such as those which have been caused by the united efforts of certain wealthy minority vested interests.

Mr. W. H. McMillan (Welland): Mr. Speaker, while speaking in the house last January I went on record as being very much in favour of the development of the combined power and seaway project in the St. Lawrence river. I am a resident of the Niagara peninsula, where the major part of the total developed electric energy of the Hydro Electric Power Commission of Ontario has its source, at Queenston and at DeCew Falls. Further power development is under way now in the Niagara district. Even with this power, it is expected that Ontario will experience a power shortage by 1956. From 1927 to 1950 I had the honour of being a member of the Ontario municipal electric association, and I followed power matters rather closely. During part of that time the leader of the opposition (Mr. Drew) was the premier of Ontario. It was the policy of his government, as well as that of the present and previous governments of Ontario from the days of Sir Adam Beck, to try to meet these power demands.

This has not always been possible, however, because of the increasing domestic use of power as well as the great power demand caused by the rapid expansion of industry during the war and the more recent preparations for defence. I agree with the Ontario government and the chairman of the Hydro Electric Power Commission of Ontario that unless Ontario receives power from the St. Lawrence project the normal industrial development of that province will be hindered. I live within a few hundred yards of the banks of the Welland ship canal. The remains of sections of two previous canals clearly demonstrate the progress and development of shipping in the last century. The remnants of the old locks are there. The old locks were 110 feet long, while the locks in the present canal are something over 800 feet in length.

When we speak of the St. Lawrence development we refer to it as consisting of power and navigational projects. The original Welland canal was constructed with these two aspects in mind, namely to provide a waterway between lake Erie and lake Ontario to overcome the falls and rapids of the Niagara river, and to produce hydraulic power for local industry. I believe the subject has been well covered in the debate, and I do not propose to go over any of these matters. I thought that I might give a little historical background of the development of the Welland canal, which was the first and most important link in the development of our inland waterways.

The Hon. William Hamilton Merritt conceived the idea of a canal in 1818. At a meeting of the residents of that area in the village of Beaver Dams in the same year, it was decided to approach the legislature requesting the appointment of an engineer to go over this project. Some money was appropriated to look over the land between lake Erie and lake Ontario, but it was reported that the proposed route was too near the frontier. Consideration was given to a canal from lake Erie to some place in the area of Burlington bay. This route would have been almost twice the distance of the original route proposed by those who were interested in 1818.

In 1823, five years later, the people in the district were encouraged by the success of the Erie canal in the state of New York, so collected enough money amongst themselves to have a survey of the route made. Eight men under the presidency of Mr. George Keefer formed the Welland Canal Company, with forty thousand shares which were sold at 12 pounds and 10 shillings each. These shares were sold to farmers and such other residents as would buy them. In passing, it is interesting to note that Mr. Keefer had some illustrious sons, one of whom was the engineer who built the first suspension bridge across the Ottawa river, the first of its type in Canada and who supervised the building of the original houses of parliament on this site.

The people from Lower Canada, mostly from Quebec city, came to the aid of the people in Upper Canada and subscribed to the extent of £10 thousand. The company was incorporated in January, 1824, and on November 30 of that year the first sod was

turned. On that occasion the Hon. William Hamilton Merritt made a speech from which I should like to quote a few extracts. The ceremony took place near the little village of Allanburg, and two hundred persons were present. In his introduction, he said:

> We are assembled here this day for the purpose of removing the first earth from a canal which will, by the shortest distance, connect the greatest extent of inland waters in the whole world; and it gives me peculiar pleasure to find that the line of this canal has been located in this neighbourhood, the inhabitants of which have turned out on all occasions with a zeal and alacrity worthy of the undertaking.

He expressed some of the difficulties with which they were faced in this way:

> We were fully aware of the supposed magnitude of the undertaking; we were sensible that the personal interest of the capital and talent of the district was against us, and that we had no co-operation to expect from them, which the result fully proved. Every attempt has been made to get his project taken up by able hands, but not one individual of extensive capital in the province, or in any high official station, has given it the least assistance, except the Hon. John H. Dunn.

They had other difficulties. For instance, it was hard to get local subscribers to pay up their subscriptions, because it was rumoured that the people in Quebec who had subscribed had not paid up their subscriptions. He enumerated the benefits that would accrue in this way:

> Instead of remaining in this dull, supine state, in which we have been for years past, we shall mingle in the bustle and active scenes of business; our commodities will be enhanced in value, and a general tide of prosperity will be witnessed on the whole line and surrounding country. In short, gentlemen, we are situated in a country favoured with every advantage, in soil, climate and situation; its resources remain only to be known to draw men of capital amongst us; and we trust, now that improvements have been commenced, it will increase, and that we may witness the same spirit of enterprise here that our neighbours, the Americans, possess in so eminent a degree.

Further on he says:

> We remove the only natural barrier of importance —the falls of Niagara. The rapids between Prescott and Lachine command the next consideration.

Just as they do today. There is one more paragraph I should like to read which makes some comment on what the people thought of the government of the day:

> When we contemplate the natural advantages we possess over the Americans in our water communication, it is astonishing to think of the apathy and indifference that have hitherto prevailed amongst us on this subject. If we inquire the cause, nine-tenths of us would blame the government.

Just as we do today.

> There never was a more erroneous idea. We are ever inclined to move the burden from our own shoulders, and can only blame ourselves.

Then in one last sentence he says:

> It is a rare occurrence that measures of great national improvement originate from the administration of the government.

[Mr. McMillan.]

Most of this work, Mr. Speaker, was done by hand. Diggers were hired at 63 cents a day. Upper and Lower Canada subscribed for stock, and by five years later—in January, 1829—boats were able to go from lake to lake. Since that time two canals have been built. One was built in 1870 and another was started just before the first war and was completed in the early thirties. I hope hon. members will forgive me for giving part of this historical background.

In those early days, when money was scarce, the people had vision and foresight. There was less dependence upon the government than there is today, and they tackled something more out of proportion to their means than we are asked to do today. It is true that the profit motive was present there, but in those early days the people of Upper and Lower Canada united their resources to build something that was for the good of Canada as a whole. The same spirit I would say is evident among members of this house. Practically all members are in favour of this project. Likewise, I think that we as members should support the government in projects in other parts of Canada if it can be proved that they have a good economic basis and can stand on their own feet.

I think the Minister of Transport (Mr. Chevrier) made a brilliant exposition of this subject in introducing the bill the other day. I would be interested to see figures showing prospective earnings of the navigational part of this project. I think we all should like to see such figures. In the light of present-day requirements of iron ore and of the movement of other commodities, we should probably be able to get figures as to the minimum tonnage that would be required in any one year to liquidate this amount of money that has to be spent.

I am convinced that we should construct steel mills to process our own iron ore in this country as much as possible, but I would be adverse to withholding any iron ore from our friends to the south in the United States. I think we should remember that our country was built up by iron and steel from their mills.

I do not agree with the hon. member for Cape Breton South (Mr. Gillis) when he says that this resolution is only window dressing for the purpose of providing power for the province of Ontario. I am not conversant with the engineering part of the program, but I imagine that one project is a complement to the other. In any case, the province of Ontario will pay in full for its power, and I think it is time that we clear up this bottleneck of shipping in the St. Lawrence.

The minister said that money would need to be spent on the Welland ship canal for dredging, and that the locks were adequate. There are seven locks on the Welland ship canal. Locks Nos. 1, 2, 3 and 7 are single. Locks Nos. 4, 5 and 6 are twin; they are called twin flight locks. They are built that way because of the contour of the land which is the Niagara escarpment. These locks are built end to end, and they succeed each other much like the steps on a stair. Their total lift is 139½ feet. A few hundred yards from the top of lock No. 6 is lock No. 7, where boats are lifted to the summit level which is practically the level of the water in lake Erie. At the present time when shipping is busy in the canal, lock No. 7 is a bottleneck. Certainly in years to come, if the canal gets busier, I would think that lock No. 7 would need to be a twin lock. There are many industries along the canal. It is the hope that the minister will give favourable consideration in regard to the naming of Port Colborne, which is situated at the lake Erie end of the canal, as a port of registry.

In conclusion, I would say that the people of Welland county are much in favour of this double project, because in times past we have been short of power, and it will not be long now before we shall need more power in that area where power is produced; we should also like to get an adequate gateway to the Atlantic.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, at this late stage in the session I welcome the introduction of this bill, as I think do most hon. members. I do not intend to take up a great deal of the time of the house because we have had some exceptionally fine speeches by hon. members with regard to the merits of the bill, and to go into the matter in detail would be to repeat, to a great extent, what has been said before.

First, though, I should like to disagree entirely with what the hon. member for Leeds (Mr. Fulford) said a few minutes ago as to some hon. members who did not share his enthusiasm for this project and who in the course of his remarks indicated that some hon. members—the hon. member for Cape Breton South (Mr. Gillis), I think, and some from Ontario—were speaking for a political purpose. I think hon. members will agree with me that any member who had occasion to speak, and who did not share the optimism of many of the rest of us but had some reservations, was not speaking for political purposes but rather was speaking in the interest of his riding, of his province and, I am sure as he thought, on behalf of the people of the Dominion of Canada.

Mr. Speaker, I come from Sarnia, which is in an area on the great lakes which adjoins the river St. Clair. Naturally I am quite enthusiastic about this project; and, as has been said before, I only regret that it was not started many years ago when no doubt labour and materials could have been obtained at much lower prices than those prevailing at the moment. Even at this late date the government has been well advised to undertake this project, not only from a commercial standpoint but from the standpoint of what it might mean to the defence of our own country and from the standpoint of the part that we may be able to play in sharing in the defence of our ideals.

There is one idea that is shared by most hon. members—and I want to be quite plain and factual about it. It is this. I do not think any hon. member would espouse this, or any other project, if it were going to benefit his own area to a certain extent and damage other areas to a greater extent. Hon. members are certainly to be commended on the broad approach they have taken to this idea. Some reservations were made, and I think they were made honestly. We must give those who made those reservations credit for their intent and their modesty in the manner in which the reservations were made. I think that we of the central part of Canada share with the people from the west and the maritimes in their points of view and in their problems. This is one move that is being made for the development of our natural resources. This is a scheme that will no doubt play a big part not only in the increase of wealth and production in the west but I hope in the maritimes as well as in the central provinces. I share the opinion of most hon. members when I say that we should view this project fairly, as we should view the development of other natural resources which do not necessarily affect the central provinces, but do affect the west and the maritimes. I say, as did one of my associates in this party, that the South Saskatchewan scheme should also be given prompt consideration. It seems to be worthy of the consideration of the house. In addition to that area there may be other projects in the west which should be gone on with to develop our natural resources and to make Canada the country that we hope it may be and will be. I know I speak for the Ontario members when I say we share the perplexities of the hon. members from the west and the maritimes. We know that a further development of our natural resources will bring prosperity to those areas and also will be of great help to the different areas of Canada. We should

not forget the projects that have been advanced so often not only by members of the party to which I belong but also by members of other parties. I refer to the Chignecto canal and the Passamaquoddy development. There are others. I think the maritimers have been very patient and very fair in this house, in view of what they have had to—I was going to say, suffer. I do hope that when this project is undertaken it will receive the close co-operation of the different provinces. I am now speaking of the ore to be mined and smelted. I recall the statement made by the minister the other day that part of this development came within the jurisdiction of the provinces. I do hope that our government will negotiate, so to speak, with the different provinces, so that instead of exporting this ore in its raw state to our friends to the south we may have mills, whether they be in New Brunswick, Nova Scotia, Ontario or Quebec, or wherever they may be, that will give a great deal of employment to the people of our country. If that is done our iron ore will not be exported in the form in which we used to export our pulpwood. The construction of steel mills will be a great factor in our economy, and it will be a great project for the maritimes. We can probably build along this waterway new mills to smelt steel, which we badly need. Steel, Mr. Speaker, is the most important factor in our industrial development. I think it is more important than ever before, and the development of this country depends to a great extent on an increased production of steel. In the furthering of this huge development I hope that those who have some responsibility for increasing the production of steel will see the opportunity and the necessity of increasing the production of that necessary product, which is in such short supply today.

Without repeating, Mr. Speaker, may I say this. As I see this picture developing along the great lakes—and no doubt the idea will be shared by many who have been to different parts of Europe and have seen the Ruhr valley and the great industrial development there—it is going to take time, but many areas along that waterway will become large industrial areas because of this development. This country is not known so much as an agricultural country today; it is becoming a great industrial nation. The more we consider the necessity for smelting our own iron into steel the more important it will be for Canadians as a whole. I should like to emphasize that I would hate to see too much of this ore go to the United States in its raw condition, because we in this country have the necessary initiative and engineering ability to undertake any project. I am glad to be one of those who share the view not only of hon. members but of the people of the country that we are happy that at last we have taken this matter under advisement, with the determination to promote it and not stall any longer.

Unfortunately we have been dependent on the United States for co-operation for a great many years. I do not hesitate for one moment to congratulate those in government today, whether in Ontario or Ottawa, who say that we are ready to go it and to go it alone. I think the people on the other side of the border realize that we are not fooling. I am satisfied in my own mind that we are not, and that we do not intend to. If the challenge is accepted and if they see the necessity of coming into partnership with us in this country in this undertaking it will mean much not only to the United States but to ourselves as well.

A moment ago I mentioned the Ruhr and the great development I could see in this country along this waterway. I can see huge investments and new industries of all sorts, which will mean the development in many ways of our different natural resources. Considerable employment will result, and no doubt this will prove an impetus for the government to increase immigration into this country, which is so necessary for the development of our natural resources. Here and there along the route of this waterway certain projects are in the offing for the development of harbours and so on; and in the development of this project I assume the government will take the long range view. I do hope that this project will be developed before too long.

There is one other angle I should like to discuss, and perhaps the minister can check me on this before I go into details. The St. Lawrence seaway authority is being incorporated for several purposes, and I wonder just where the different municipalities will stand with respect to taxes.

Mr. Chevrier: The municipalities would come under the statement brought down by the Minister of Finance (Mr. Abbott) which provides that if there is a certain amount of government property in a municipality—I have forgotten the percentage—they would be entitled to certain taxes.

Mr. Murphy: I understand that this authority will be a crown corporation. The Minister of Finance stated, I think in February, 1950, that payments in lieu of taxes would be made under agreements between crown companies and municipalities which would be fair and equitable under all the conditions. I think those were about his exact words. In fairness to any municipality which might benefit I think there should be a

revision of ideas with respect to these payments by crown companies in lieu of taxes. The Minister of Trade and Commerce (Mr. Howe) is in his seat and I am going to take advantage of this opportunity to make this statement. We are proud to have in Sarnia the Polymer Corporation, a crown company. On one side of that corporation is the Dow Chemical plant and on the other side the plant of Imperial Oil Limited. Up to a year ago the crown company paid to the township a certain sum in lieu of taxes. Under the new legislation brought down this crown company, which is engaging in commercial business, was to pay what was fair and equitable. I might mention that next year Dow Chemical will pay $50,000 in taxes. I am not mentioning Imperial Oil. Polymer is now within the municipality and the agreement reached between the municipality and the crown company provides that the crown company will pay $45,000 in lieu of taxes.

That may seem a large sum to some people, but we must remember that these chemical companies are huge empires. They are not some little industry put up on a building lot. In fairness to the municipalities and to the crown companies there should be a sharing of responsibility in the future which has not been evidenced in the past. I think we all agree that any industry creates certain obligations on the part of the municipality by way of education, services and that sort of thing. I think the Minister of Trade and Commerce will agree with me when I say that Polymer should be assessed at five or six times what Dow Chemical are assessed, and yet they have made a settlement for $45,000. I do not know what other crown companies across this country are doing, but I am concerned about the high taxes in our community. If it is not possible to reopen the 1951 arrangement, then I think the 1952 payment should be based on the statement made by the Minister of Finance and the taxes paid should be fair and equitable under all circumstances.

I think the majority of hon. members desire the early passage of this legislation, and I reiterate the hope expressed by the last several speakers that this project will be undertaken immediately because it is something which will be of great benefit to all.

Mr. D. A. Riley (Saint John-Albert): Mr. Speaker, before I forget I should like to compliment the hon. member for Lambton West (Mr. Murphy) upon what he said about the maritime provinces and the people who populate that part of Canada. I do not know why I should feel so kindly disposed toward the hon. member for Lambton West when just recently his native city took from my town a most capable executive director. But I am sure the people of Saint John will find that the keenness of their disappointment is somewhat dulled now that the hon. member has spoken so intelligently on behalf of our provinces.

My first inclination is to compliment the Minister of Transport (Mr. Chevrier) upon the brilliant and comprehensive way in which he presented his statement in respect to the setting up of a St. Lawrence seaway authority. I know the keenness of the interest of the Minister of Transport in matters such as this, and I am fully cognizant of the great role he has played in the development of this country during the years he has been Minister of Transport. I cannot think of anyone whom the people of Canada would rather see present such a bill as this to the House of Commons.

I have listened with increasing interest to the numerous speeches which have been made in respect to the St. Lawrence seaway project. I say I have listened with interest, but at the same time I have felt rather disappointed because when I first heard that the seaway project would be introduced at this session I had the feeling that we would be treated to some very vigorous debates. Realizing the importance of this legislation, involving as it does the expenditure of possibly hundreds of millions of dollars on the part of the people of Canada, I have been amazed at the temper of the debate that has been going on since the minister so ably introduced the subject. I have found the debate to be dull, lifeless and uninspiring. Having regard to the type of debate that rages in the congress of the United States each time this subject is introduced, I cannot help but feel that the people of Canada will suffer something of a let-down if this legislation is permitted to go through without a full scale and much more vigorous debate taking place.

It is not intelligent for anybody to say there are no arguments which can be offered against the St. Lawrence seaway project. In my short lifetime I have heard any number of arguments which seemed to me intelligent and reasonable, yet I have heard few of them expressed during this debate. I have heard the estimated cost of the seaway placed at something over $800 million. I thought there might be some debate on the cost alone because I feel that these estimated figures must be at least a year old, and since the time they were drawn up costs have increased with respect to labour, materials and many other factors that will enter into the construction of this series of canals and the hydro-electric development which will go to make up the project.

It is estimated that the project may take something like five years to complete. Many

competent engineers say it will take closer to ten years, and perhaps longer than that. If the cost in 1950 was but a little more than $800 million, having regard to the fact that the construction of the seaway will go on for years and that it will be necessary as time goes on to dredge harbours, increase port facilities and build defence installations, I think it is safe for me to say—and I think I can hardly be questioned for so stating—that the cost of the St. Lawrence seaway project will be closer to $1,500 million than $800 million. This alone should provide some reason for the people of Canada to question the seaway project.

There is also the question of the practicability of the navigation aspect of the plan. There are those who say that inasmuch as the seaway will be open for navigation only a little more than six months in a year the tremendous cost is not warranted. This draws me into another particular phase of the opposition and arguments which I say should be debated on the floor of the house. What effect is the seaway going to have on the railways? I have heard it said that they have no serious objection to the seaway. If there has been an official expression of opinion on behalf of the two major railways of Canada, I wonder if the opinion was not voiced with tongue in cheek, as it were. The railroads in the United States of America estimate that the loss in revenue to their lines would run anywhere from $100 million to $250 million per annum. Surely the railroads of Canada must be going to suffer some loss. Having regard to the fact that they will most likely have to keep their usual complement of personnel on the payroll and their usual amount of machinery in repair and operation during twelve months of the year, how much loss are they going to suffer during the six months the canal is being utilized for navigation?

We have heard arguments put forward on one side to the effect that the project will offer magnificent defence possibilities. Nevertheless many of its opponents in the United States point out, and I am sure with some reason and logic, that an enemy having access to the polar route could and definitely would plant one bomb that could render the seaway useless perhaps indefinitely. Another thing that might be said is that it is going to have a serious effect on our Atlantic ports. We have heard some measure of opposition from certain maritime members, particularly the hon. member for Cape Breton South (Mr. Gillis), who have pointed out that the seaway may have a serious effect on our industries. Some maritime members have said that it may seriously affect our Atlantic ports. Perhaps it may, but to my knowledge these arguments have not been properly debated in the house. I repeat that the expenditure may run into $1,500 million on the part of the people of Canada, the people of British Columbia, Newfoundland, Alberta, New Brunswick as well as the taxpayers of Quebec and Ontario, and I say more serious consideration should be given to the whole question. We have heard the suggestion that the interests who were opposing the project in the United States had no right to oppose it, that they were representative of the vested interests. Well, perhaps some of them are. No one would oppose a project such as this unless he had reason for so doing. But the fact that they have been able to stimulate such opposition in the United States congress perhaps indicates that there are many logical and intelligent arguments against the seaway.

Surely it is significant that organizations financed to the tune of hundreds of thousands of dollars have been formed and have devoted much time and interest, through publicity and debates in congress, to opposing United States co-operation in the building of the seaway. These interests are not only the railways, which might be described as vested interests but there are also almost all the ports along the Atlantic seaboard and the gulf coast in the United States. Hundreds of chambers of commerce throughout the United States have gone on record as opposing the seaways.

I have had very little indication from members of the house that there is any great opposition in Canada. Perhaps that is all for the best. Perhaps there is not any real opposition in Canada, but from reading editorials in various newspapers in the last two years I would say there is some opposition.

I repeat that the whole matter should be debated more vigorously before the bill is passed. I have no thought in mind of retarding the passage of the bill; I have no thought in mind of keeping members of the House of Commons away from their Christmas holidays. But I do repeat I am disappointed; and I am sure many taxpayers of Canada will be disappointed if they read reports to the effect that the bill setting up the authority for the St. Lawrence seaway went through the House of Commons with a yawn and a stretch.

Strange as it may seem, I am not opposed to the seaway. Like most of the maritime members I could not in conscience oppose any measure which I feel may add to the development of the country, although it may add principally to the development of that

section of the country which has already outpaced all other sections in its development. I still feel, however, that the matter should be debated at greater length.

I was proud to be a member of the House of Commons during the past week or so when I heard members from all parts of the country speak in the debate on the address in reply, and also on this particular question when it was in the resolution stage, and urge that if the government was prepared to invest such a huge expenditure in the development of the St. Lawrence seaway project it should at the same time express some interest in the suggestion that the authority for the St. Lawrence project be expanded to take into consideration projects in the maritime provinces and in western Canada. It was significant that members such as the leader of the opposition (Mr. Drew), the hon. member for Leeds (Mr. Fulford), indeed members representing all parties in the house, should take time to point out to the government its responsibility in respect of projects which should be surveyed and investigated, but which lie beyond the eastern borders of Quebec and the western borders of Ontario.

During the course of speeches he made in the last year, my good friend the Minister of Transport (Mr. Chevrier) referred time and again to the necessity for providing increased power facilities in Quebec and Ontario. In a speech delivered over the C.B.C. on November 21, 1950, he said:

> As a result of the rapid postwar expansion of industry in Canada, together with the constantly rising consumption of domestic power, the province of Ontario has been for the past few years subject to an acute shortage of power to meet demands. This is further accentuated by the present increasing activity in defence production.

And again:

> In so far as the province of Quebec is concerned, with the increased output at Beauharnois to be available in the near future the power situation in the large industrial area adjacent to Montreal will be satisfactory but for a few years.

The minister repeated these words when he spoke before the Montreal board of trade. He repeated them again when he spoke before the Canadian Club of Ottawa. I would ask him now: Does he think it unfair that those of us from the maritime provinces and from the western provinces—and particularly in respect of power in the maritimes—should ask that some interest be taken in the power projects which have been proposed intelligently by provinces, by groups and by individuals from the maritime provinces? I was sad to hear reference in this debate to the Chignecto canal. It is all very well to say that the Chignecto canal is a dead horse, and that we should not continue to flog it. But as I put on record in the house before, and as I shall continue to do so long as I am a member, the Chignecto canal stands before the eyes of the people of the maritime provinces as a grim reminder of a broken promise made—verbally, but nevertheless made—at the time of confederation. It is said that time is a great healer. Time will never heal that sore on the hearts of our people. It is true that there have been some grave expressions of opinion on the part of governments down through the years when they set up commissions designed to determine the feasibility of the Chignecto canal. The more recent commission, without examining any witnesses, without conducting any survey, merely by looking at a number of references given by some of the provinces and perusing a brief which was put before them by the Chignecto canal committee, endeavoured to effectively close the door on this project which stands so prominently in the minds of the people of our provinces. Perhaps the Turgeon commission has assisted time in dealing with the Chignecto canal, but perhaps time will assist the people of Canada, and more particularly the people from my part of the country, in determining the value of the conclusions of the Turgeon commission in respect to Chignecto.

That is not the only project that has been put forward by the people of the maritimes. There are proposals concerning the development of power in the Saint John river, and the development of the Quoddy scheme. Recently the hon. member for Charlotte (Mr. Stuart) and I were in Boston. While there we consulted a number of New England industrialists and discussed the feasibility of Quoddy from various angles. I was happy to note that the hon. member for Cape Breton South (Mr. Gillis) made a reference the other day to Mr. Sydney Grossman, one of New England's industrialists. Mr. Grossman said that if the governments could be persuaded to go ahead and complete the Quoddy survey, and if the survey revealed that Quoddy was feasible but the government of his country did not see fit to go ahead with the project, then he could lay his hands on at least $10 million to start the project as a private enterprise. I say, Mr. Speaker, that that is significant.

When the hon. member for Charlotte and I were in Boston we heard expressions of enthusiasm from all sides, not only from laymen but from competent engineers. The last time I spoke in this house I made a reference to a sonic survey that was being conducted in the Passamaquoddy and Cobscook bays by the United States board of engineers. In Boston I talked with one of

those engineers and he made this statement, and repeated it later over the radio while we were being interviewed on a program sponsored by the Massachusetts Institute of Technology. He said that as a result of these sonic surveys the United States corps of engineers hoped that the estimated cost of the completion of the Quoddy survey would be cut by at least $1 million. Here we have been trying to get some expression of interest from the government of our country in the completion of this survey. On the other side of the border, just as there is a bill in this house asking for endorsement of a Canadian scheme for the St. Lawrence, there has been a resolution before the congress of the United States since August 25 asking for the full amount of money necessary to complete this Quoddy survey.

As I said before, it is an interesting parallel—in one sense of the word it is—that we are asking for authority to go ahead and spend over a billion dollars on the St. Lawrence, while for the Quoddy we are only asking that something like $2,900,000 be spent. Although I intend to support this bill, I find it difficult to go home to my people and say that I helped to vote millions of dollars for the St. Lawrence but I could not get one cent for the completion of the survey of the Passamaquoddy power project. The minister must recognize it as significant that none of the maritime members have expressed themselves as being unalterably opposed to the St. Lawrence project. Surely this must be an indication to him that we are not maritime righters obstructing the development of other parts of Canada and crying for the development of our own area alone. Surely this must be proof to the government that we in the maritimes are very pleased to see the other parts of the country developed. All we are seeking is an indication of interest in the development of our provinces.

I have discussed the Quoddy with some engineers in the different departments. Many of them say, "Well, you cannot establish to us that cheap power can be produced through the Quoddy project." Yet I know a very competent army engineer in the United States who feels reasonably certain that power can be produced at Quoddy at the rate of about 3 mills per killowatt hour.

An hon. Member: Time!

Mr. Riley: One hon. member has indicated that I have spoken long enough.

Some hon. Members: Go on.

Mr. Riley: Perhaps my words may encourage other hon. members to speak. Perhaps we may yet have a full scale debate on the St. Lawrence seaway project. I hope the hon. member who suggested that my time had expired will get to his feet and make an intelligent contribution to the debate. In any event, Mr. Speaker, I may yet have another opportunity to speak. If I do, I hope it is only after there has been a full scale discussion of this all-important project.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, the hon. member who has just taken his seat has given us a most impressive talk. I hope I shall be able to be in the House of Commons long enough to see the maritimes have something of what is their right.

As to this St. Lawrence seaway project, Mr. Speaker, may I say that I have endeavoured to give the matter most careful and realistic study and consideration. In 1941 I had the honour and the responsibility of leading the Social Credit movement in this house. In 1941 there was an imminent likelihood that the project would be proceeded with after the signatures were put to the agreement between the United States and Canada. At that time I studied intensively many works on both sides of the proposition. A number of those I have preserved as being what I thought to be the most factual, objective, well-balanced and reasoned presentations on the subject. I have before me now several of what I thought were the best. I have, for instance, "The St. Lawrence Seaway Project" by B. D. Tallamy and T. M. Sedweek of the Niagara frontier planning board, Buffalo, New York, published in 1940. I should like to read from paragraph 2 of the introduction to the rather extended document:

> In the preparation of this survey, the basic materials used were the reports of a joint board of engineers (appointed by the Canadian and United States governments), an interdepartmental report of the United States government, other governmental documents, and the report published by the Brookings Institution, an impartial research foundation of Washington, D.C. Original analyses as to the costs and as to the economic and political effects of the proposed seaway were then made from this basic material. Data from such sources were believed to be the most authentic information on the subject.

I gave this whole document careful and earnest study. I have another entitled "Some Observations on Canadian Public Finances, with Special Reference to the St. Lawrence Deep Waterways Project" by George C. McDonald, chartered accountant, December 9, 1940. From this document I should like to read the first three paragraphs:

> In March last when new projects regarding the St. Lawrence deep waterways were being discussed, I was asked by friends if I would make a report on the economic features involved in the light of present-day circumstances. I gave the request careful consideration, and because I am deeply interested in certain matters of public import which

are reflected in greater or less degree in the waterway project, and in the various proposals as to its future development, I decided that I should be glad to express my views on some aspects of the problem.

My active interest in the subject had first been aroused as a member of the council of the Montreal board of trade when the report on the St. Lawrence waterways project was made to that body by Messrs. Holgate and Jamieson in 1929.

In 1931, in connection with the activities of the Canadian chamber of commerce, I gave further study to the matter.

That document starts in a rather interesting and impressive way. I read it through with much interest and not a little conviction. I have also "The St. Lawrence Waterway, A Study of the Economic Aspects", by John L. McDougall, Kingston, Ontario, September 3, 1941. I should like to read from that document the first sentence on page 3:

The writer of this report is an economist who received his post-graduate training at Toronto, London and Harvard universities, and in business, and who is now on the staff in commerce at Queen's university.

That sounds attractive to those who are impressed by academic degrees. Then may I read a letter which appears at the beginning of the document:

Canadian Electrical Association
Incorporated

Montreal, P.Q., July 21, 1941

J. L. McDougall, Esq.,
Department of Business Administration,
Queen's University,
Kingston, Ontario.

Dear Mr. McDougall:

This letter will serve as formal authority for you to make a study, in our behalf, of the St. Lawrence seaway and power project.

Of especial interest, at this time, is the question as to whether or not Canada can afford to devote the necessary manpower and materials to the building of the navigation and power canal and ancillary works. We understand that your study will be largely concerned with endeavouring to answer this question from the point of view of the welfare of Canada, having regard to the vital need for efficient prosecution of the war.

Yours very truly,
(Signed) H. E. Blachford,
Technical Assistant

That sort of introduction always commends itself to me. I have had quite a lot of training in university matters, and I have a high regard for well-trained people. All three of these reports were not favourable to proceeding with the waterway development at that time, and in some cases they were definitely antagonistic to the whole project.

I have an editorial which, with the consent of the house, I will not take the time to read but which I will have put on the record. It is from the Montreal *Daily Star* of August 12, 1941. It is the leading editorial and is entitled "No Seaway Now". Have I the permission of the house to put it on the record? It discusses the whole matter objectively. I am told that the editor of the Montreal *Star* at that time was a man of profound sincerity and sense of responsibility. I am informed that, before attempting to write so portentous an editorial as this, which opposes proceeding with the St. Lawrence waterway project, he gathered around him the best men he could find in Canada from a wide variety of fields of activity. In order to save the time of the house, if I may have permission, I think I will put on the record a list of nineteen of the men whom he called around him, with their qualifications and their positions. These were all men who had been selected especially to study the project. May I have the consent of the house to put this document on the record?

Mr. Deputy Speaker: Is it agreed?

Mr. MacInnis: Mr. Speaker, I think the policy of this house has usually been to accept tables for the record without reading them. I think it would be a mistake to depart from that policy and put on the record reading matter that is not in the form of tables. I know that in the United States congress they put whole books on the record, and the first thing that will happen here, if we are not careful, is that we will be doing the same thing. If the names are not very long I suggest to the hon. member that he read them.

Mr. Blackmore: Well, I am quite willing to do that, but it will take ten minutes of the time of the house. I think it is of sufficient importance in the circumstances to justify putting it on the record. Suppose I leave this and put it on after I finish the rest of my remarks; then people will be able to find it. In case there is no time we shall leave it until probably the committee stage of the bill or until some other time. It may be that hon. members will not find it of sufficient value to take up our time with it; but certainly there are some impressive names and titles among the names listed in this group.

At that time I endeavoured to form a sound opinion, and I felt, after all the studying I was able to do, that probably the St. Lawrence seaway project was one for some remote future. At least I was not in favour of proceeding with it under the circumstances which then obtained in Canada.

I have endeavoured to keep more or less in touch with the whole project and the development of thought in respect of it. Everything that has come to my hand I have filed away and read as soon as I could find the time and the energy so to do.

An example of the documents I have considered is one called "The Great Lakes-St.

Lawrence Seaway", which I am sure all hon. members have had, by J. G. McLean, vice president, apparently, of the brotherhood of locomotive firemen and enginemen, and national legislative representative in Canada. His article appears in the July, 1951 issue of *The Brotherhood of Locomotive and Enginemen's* magazine. I am not able to find exactly what is the standing of this gentleman, but anyway the document is here. I think it is worthy of respect. It seems to be written objectively, and the general feeling one gets is that the person knows a great deal of what he is talking about. I should like to read short excerpts from this document. On page 5 he discusses the No. 1 argument—that going forward with the project would provide for lower freight rates. He says: "Actually there is no assurance that it would." No. 2 is found on page 8. He says:

> The second argument previously mentioned, i.e., the project would provide for additional sources of hydroelectric power, is the most poignant argument in favour of the proposed seaway.

Therefore he gives considerable respect to argument No. 2. On the same page the third argument is discussed. It reads:

> The third argument concerning the encouragement of American capital investments is the most contentious of all.

By the way, these are not all the arguments the minister gave. The fourth argument, also found on the same page, is this:

> The last argument, which supports the seaway development which suggests that the plan will strengthen the national defence, lacks any serious merit.

I think, Mr. Speaker, that hon. members, including the ministers, will not blame a person if, after reading such documents as this and every other kind that he can get his hands on, he finds many questions still unanswered. This was the reason I wanted to ask a number of questions. I will be given the opportunity of asking those questions when the bill is in committee stage, but I thought this array of evidence ought to remove from everybody's mind the thought that I was endeavouring to obstruct the other night when I desired to hold up the project long enough to ask some questions that were in my own mind.

As I said when I spoke first on the project, Social Crediters will favour it because I believe we all have a sort of feeling it is the right thing to do; that it is good for the country, and we are pleased also that Canada is going ahead with it regardless of United States assistance. That commends itself to us. I said all this, of course, when I first talked on the subject. At the same time I wanted to keep myself open-minded, ready for information on either side of the situation, in case we might have made a conclusion rather too hastily.

I will say that, with respect to all these documents to which I have referred, the unanimous testimony of the witnesses was definitely against the immediate construction of the St. Lawrence seaway project in 1940. The one I read recently goes down to 1951.

I feel that the other night the minister made a magnificent speech. I do not know that I have ever heard a better one, better documented, better supported, better developed in every way and more beautifully expressed.

The question will be raised then: why are you not impressed by the statements from boards and other great authorities from whom the minister quoted? Well, I am going to tell you frankly, Mr. Speaker, and I am going to tell hon. members and the government why. Our age is an age of dangerous propaganda. The means of influencing public opinion today are so much more potent than anything heretofore known in the history of the world that we fail to appreciate what propaganda can do. And the means of influencing public opinion are so completely available to men of wealth and influence and so unavailable to people without wealth and without influence that every man and woman in the nation and in this House of Commons has to exercise the greatest reservation before he takes for granted an idea which is disseminated, propagated, and stimulated by high-pressure propaganda. I am going to mention just two illustrations, and I hope I shall not be out of order in so doing, just to show how careful a person has to be.

Hon. members will recall the tremendous outburst of propaganda which filled our newspapers from coast to coast, and cluttered up our radios in every direction, all advocating the Sirois report in 1941. The actual facts were that the Sirois report was one of the most pernicious documents ever advocated by a body of men in the history of the Dominion of Canada. I am not going into detail on that matter but I shall challenge anybody to disprove what I say; yet Canadians were almost stampeded in respect to the stand on the Sirois report. You found great headlines, often in colours, in some of the newspapers. "The people of Canada demand adoption of the Sirois report," but not one per cent of them knew what it stood for. That was the kind of trash that was poured out all over the pages of our newspapers.

We have seen the same thing in respect to this St. Lawrence seaway project. There has been well-paid, carefully calculated and subtly executed propaganda to prepare the people for it. Probably nothing like that was meant, but every person who tries to

keep his feet on the ground and his head down out of the clouds has every reason to be reserved.

Here is another thing. Hon. members recall the Bretton Woods agreement. From the newspaper and radio propaganda that was carried on in support of the Bretton Woods agreement you would have thought it provided an entrance into kingdom come, that the minute we accepted Bretton Woods the whole lot of us would go right into paradise. All parties except the Social Crediters allowed themselves to be stampeded on Bretton Woods. When the thing was passed many members of the house thought, "well, we have done it; now our troubles are over." As a matter of fact that was the most dangerous thing Canada ever accepted in all her history, and was one of the major causes of the troubles under which the world is now struggling. But you could not even get a hearing when you attempted to reason about Bretton Woods. Hon. members in this house can remember that. So I take with reservation what almost anybody says. We are in an age when confusion is being sown deliberately by certain people.

There is another reason I have endeavoured to be cautious, as I am sure all people in Canada would expect me to be, or demand that I be, being in the opposition. The secret knowledge which may or may not have something to do with the desirability or undesirability of the construction of this project is not known to the people of Canada or to the members of parliament. There are no means whereby we can acquire that knowledge, no matter how diligent we may be in search of it.

The next difficulty is that we cannot tell whom to trust. I do not propose to give any illustrations of the way in which some of the most eminent men have allowed themselves to be tools in the hands of powerful interests in order that statements might be made which would advance the cause of those interests. I must say that I was under considerable anxiety and uncertainty when I was asking questions the other night. I was anxious, as the hon. member for Saint John-Albert (Mr. Riley) advises us to be, that there be adequate discussion of this matter before we put our signatures to so important a contract as one involving an agreement to build the St. Lawrence seaway.

Since I spoke last in this house I have had the opportunity of obtaining a copy of a speech delivered by General McNaughton. He is a man whom I trust to the highest degree. I am not unmindful of the fact that he is a great scientist, that he was a great general in the last war, that he is a man of courage and integrity. I am not unmindful of the fact that he occupies the important position of chairman of the Canadian section of the international joint commission and also chairman of the Canadian section of the permanent joint board on defence. I think we must accept the word of such a man.

It would be contrary to all the principles of becoming deportment for him to let me know the inner facts upon which he based his conclusions. That is one of the unfortunate elements we must allow for. If he were to let me know, there would be no reason why he should not let others know. While I believe I could be completely trusted, I am afraid there are one or two that perhaps could not be. That means that I find myself without access to the fundamental facts upon which this man would base a statement similar to the one which he made in Toronto on December 6. May I read from the speech which that great man made; and I think we will all agree that we can call him a great man. Referring to the St. Lawrence seaway, he said:

> —it has now become most urgent that an early start be made on construction.
>
> This need for early action applies not only to the works contemplated on both sides in the international section of the river for power for which there have long been unsatisfied markets in each country for their respective shares; the need applies also for early action on the construction of the navigation facilities which recent estimates show will be used, well up to capacity, as soon as they are made available and because their absence has become a serious disadvantage to the trade and commerce of Canada.

Further on he used these words:

> The representations which have been made to the congress of the United States favour the combined project for navigation and power as conferring the most far-reaching benefits to the peacetime economy of the two countries; they make clear also that the early completion of the works for navigation and power is a vital matter in relation to the defence of the North American continent in this period of deep anxiety and great concern.
>
> In addition to the favourable report and recommendation given by the international joint commission, the project for the combined development of the St. Lawrence for navigation and power has been repeatedly before a succession of national advisory committees and the like both in Canada and the United States. In every case the project has been endorsed.
>
> It has also received the attention of a series of joint engineering boards, where the design of the works required has been developed in great detail and to the point that there is no longer any significant question outstanding between the technical representatives of the two countries.

And further down:

> The St. Lawrence project for navigation and power neither in its physical dimensions nor in its financial implications is that colossal, stupendous undertaking that some people have set out to picture, but I would agree that these superlatives will properly apply to the useful effects on our

economy and defence arrangements which will come from its construction, more particularly at this time.

And the final quotation from that speech is as follows:

> The board, after searching analysis, stated the project would increase military potential out of all proportion to expenditure in manpower and critical materials, much of which would be required to be used in any event as additional power had to be provided.
>
> Having in mind these considerations and reaffirming its previous recommendations for the construction of the St. Lawrence project for navigation and power the board recommended:
>
> "That the two governments take immediate action to implement the 1941 St. Lawrence agreement as a vital measure for their common defence."
>
> Thus there is now on the public record the advice of the two bodies which have been created by Canada and the United States jointly to consider matters of mutual interest and concern along our boundary both for peace and for defence—the international joint commission, established under the waterways treaty of 1909 and the Canada-United States permanent joint board on defence, set up by President Roosevelt and Prime Minister King at Ogdensburg in August, 1940, have both recommended—repeatedly—that the St. Lawrence project for navigation and power should be built and promptly.

I must say, Mr. Speaker, that such a pronouncement coming from this man at this time leaves me with no possible alternative but to support the measure without qualification.

What fundamental factors of the seaway situation could have so changed in either their nature or their incidence as to render out of date the conclusions of only ten years ago, to which I referred in the earlier part of my remarks, of those most respectable authorities? The answer is: "Scientific developments." Things have happened in the world in many different ways since 1940 that have rendered what might not have been an urgent necessity then a most urgent and probably inevitable necessity in 1951.

I said the other night that the Social Credit movement and Alberta would support the project provided it could be established that it would be of benefit to each of the provinces. I can think of no greater benefit that could be conferred upon any one of the provinces at the present moment than adequate defence. Therefore it appears to me as though we Social Crediters are completely in the clear and completely consistent in all the positions we have taken thus far. Defence is the answer to the questions as to what benefit will be given to each province.

What of the maritimes? I said some strong things the other day about the inequities that have been endured for many years by the maritimes, and I meant everything I said. I am completely out of patience with people who persist in neglecting the interests of the maritimes.

There are two things which I believe will give cause for comfort to the maritimes. Looking over the whole field I would say the first one is that apparently it will be absolutely necessary in the interests of Canadian well-being and United States defence to develop a great steel mill in the maritime provinces before long. I would say there are two points in the maritime provinces at either one of which, and particularly at one, the largest and finest steel mill we could build would appear to be entirely in order. If such construction were undertaken I believe the maritimes would benefit greatly by the building of such a mill, and would probably benefit more than they will suffer through any economic results of the construction of the great St. Lawrence waterway.

There is another point, and I am sorry to say there will be no responsive ears among the maritime people when I say this. By employing the principles of Social Credit it is possible to reorganize the economy of Canada in such a way as to make the maritimes enjoy an era of prosperity the like of which their most ardent lovers have never even dreamed of. The maritimes possess the resources. They can produce goods that can make them rich, happy and prosperous. That has been proved time and time again. Is there any man in this house who will deny that the maritimes possess resources in materials, manpower and morale to produce the things that are necessary to raise that area to a high standard of prosperity? Is there any man who will dare to contradict me? Very well. Then the only problem confronting us is to enable the maritimes to produce those goods and distribute them.

Surely distribution is not an impossibility if we can only outgrow the prejudices that we have grown up with. Therefore I say to the maritimes that in taking the position I am taking now I am not receding in any way from my determination to support maritime rights and improvements. As a matter of fact I am prepared to join any one or all of those who will take the foremost position in an effort to begin right now to change conditions in the maritimes so the people of that region will all be able to be happy.

Mr. Riley: Why not make a tour of the maritimes?

Mr. Blackmore: Oh, I have been in the maritimes.

Mr. Riley: We would like to have you make a tour.

Mr. Blackmore: I would be happy to go down there. Thank you ever so much. I am happy to be invited as you are inviting me now. I will drop in some time.

Mr. Graydon: You have got yourself a week-end visitor.

Mr. Riley: Most interesting.

Mr. Blackmore: May I revert now from a discussion of the problems of the maritimes to the St. Lawrence seaway. Under the circumstances I wish to assure the minister and the government that we shall be with them all the way in building the St. Lawrence seaway as soon as possible.

Mr. J. A. MacLean (Queens): Mr. Speaker, in rising to make a few remarks regarding the St. Lawrence seaway, I want to point out that for two reasons I do not wish to say anything with respect to the power phase of the project. One is of course that it is probably a very sound idea, and the second is that it is primarily a provincial affair. However, I should like to make a few remarks with respect to the navigation aspect of the St. Lawrence seaway development. I must say to begin with that I do not share the almost unbounded enthusiasm that certain hon. members seem to have for the scheme. We should remember that geographically our country is very large and spread out, that our population is very small, and that we already have a great and costly system of transportation which our economy must carry. The per capita cost for transportation is already very high, and we should be most careful indeed before we add to that load. We cannot but add to the load if we proceed with this very expensive development of the St. Lawrence seaway.

It may be of course that from a navigational point of view the St. Lawrence seaway would be such a stimulus that our economy would strengthen and our population grow to the extent that shortly the per capita load cost for transportation would be reduced. But I have seen no proof that that will be so, and I actually doubt very much if that will be the case. I have considerable doubt about the almost limitless enthusiasm of some hon. members that we can make ourselves rich merely by carrying products from one place to another and carrying other products back again. That type of economic philosophy reminds me somewhat of the gentleman in Georgia who had purchased a small truck, and who had $50 operating capital. With the $50 he bought a mule, and transported the mule across the county, after which he traded it for a cow. He transported the cow to another corner of the county and traded it for two sheep. He took the sheep to another part of the county and traded them for two goats; and he sold the goats to one of his neighbours for $50. His neighbour said, "You have been very busy, but where did it get you? You started out with $50 in the morning and this evening, after expending a great deal of energy, you have ended up with $50." The first gentleman replied, "Yes, I know, but look at all the business I did."

I am afraid that is the attitude some people are taking about this St. Lawrence seaway problem. We are not necessarily going to strengthen our economy by carrying goods from one place to another. What we should attempt to do is create sources of supply near the markets and create markets near the sources of supply. Let us so far as possible cut out all this business of having to carry goods from one end of the country to the other.

But, as I say, even if it can be proven that from the standpoint of transportation the St. Lawrence seaway is economically sound, there are many other side effects we should guard against. I cannot see where this is by any means an unadulterated benefit, an unmixed blessing. There are side effects which, if precautions are not taken, will have a very detrimental result upon the economy of certain parts of this country. An example of what I mean would be the development of our vast iron ore supplies in the Labrador area. Precautions should be taken to see that the economy of Canada is not reduced to that of a nation of primary producers and kept indefinitely on that basis, due to the fact that the iron and steel industry of the United States has the momentum of an earlier start and, for a time, can possibly carry on more cheaply than we can in Canada. We should see to it that, if necessary, an embargo is placed upon the export of iron ore needed for the production of goods we require in Canada, both for domestic use and for purposes of national defence. I can see no future for us, as Canadian people, in mining ore in Labrador and shipping it to the United States for smelting and rolling into sheets, then exporting it back to Ontario perhaps to be manufactured into automobiles, refrigerators and all that sort of thing, and finally to have it sold to the people of Labrador and the maritime provinces in a finished state. I see very little future in that.

We should make every attempt to develop our industries for ourselves. In that connection I am happy indeed to observe the broad-minded and statesmanlike attitude taken by certain members from the central provinces. But equally I deplore certain

examples of provincial viewpoints, as they have been expressed in the debate. I resent the suggestion that if everything is well with the St. Lawrence valley, everything will be well with this great country of ours from coast to coast. That does not necessarily follow at all. That sort of narrow, provincial viewpoint is expressed by those people who at this late date, after almost a century, would revert to referring to this great country of ours as Canada. They would describe as Canada this dominion which stretches from sea to sea, "from the river unto the ends of the earth." They would describe it as it was originally described when it was two colonies in the St. Lawrence valley known as the Canadas. After all, in the beginning we were a group of colonies. We entered confederation so that we would no longer be separate and small colonies but rather we would be a great dominion, a great nation, a great domain from sea to sea. I am sure one of the reasons the fathers of confederation agreed to giving the name Canada to this new nation was that that name should be preceded by the word "dominion". The idea was that the Dominion of Canada should spread from coast to coast, from sea to sea and, to use the biblical reference, "from the river unto the ends of the earth".

If Canada is to become the great nation which is and should be its heritage, then it should be the concern of the government to try to look at our problems in a national way and consider all areas of the country. I do not think that as a nation we can prosper if there are depressed areas, if there are areas where there is not sufficient opportunity even to absorb the natural increase in population. I am shocked by the report in the last census which shows that the population of Saskatchewan has actually decreased in the last ten years. In this great country there should be all kinds of opportunities, not only for those who are born here but also for those who immigrate to this country from the crowded areas in other countries.

The same is true of the maritime provinces. Ever since confederation the maritimes have been unable to absorb their natural increase in population. In that part of Canada there is not the opportunity there should be. Until we look upon our problems as those of a great area from the Atlantic to the Pacific, as problems that must be tackled for the benefit of all of us, I do not think we can hope to progress.

Therefore I support this scheme for the development of the St. Lawrence seaway only if it is a part of a greater scheme, only if it is one little bit in a large and beautiful mosaic of development which will make this country of ours the great nation it has the right to be. So I suggest that we embark as one great nation upon a purposeful, energetic and broad-minded program for the development of the whole of this great country from sea to sea, and "from the river unto the ends of the earth".

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Carroll in the chair.

On section 1—*Short title.*

Mr. Chevrier: Mr. Chairman, I know hon. members will want me to deal with some of the questions raised the other evening. Before doing so, however, I think I should first of all express to hon. members my gratitude for the interest they have shown in the bill, and particularly for the patience they have shown during the progress of the debate. I am delighted—and I say this in all sincerity—with the wholehearted support that has been given to these projects, both in the resolution stage and in the present stage of the seaway bill. I say that because, while in some of the remarks I made the other evening I might have been provocative, I certainly had no intention of being so. I can only feel that the members who have spoken with some hesitation about some of the aspects in so far as their regions are concerned would not have spoken as they did unless these projects were to the general advantage of Canada.

Mr. Pouliot: We all like you as you are.

Mr. Chevrier: I hope, Mr. Chairman, that any of the remarks I shall have to make now will be taken in the light of this statement. I shall deal now with the charges and complaints that have been made. First of all by the maritime members: I refer now to the hon. member for Royal, the hon. member for Cumberland and the hon. member for Annapolis-Kings, who have said, during the debate on the resolution, that the maritime provinces were consistently forgotten by the government when great projects were being considered. Last evening and during the course of this afternoon the hon. member for Lethbridge stated that this and other governments had been scandalous in their treatment of the maritime provinces, in other words that the maritime provinces had been scandalously forgotten.

I want to pause here to thank the hon. member for Lethbridge for the attitude which he adopted just a moment ago. He put on the record a number of statements by General McNaughton and said that so far as he was concerned these statements convinced him, because if General McNaughton felt this great scheme was in the interests of national defence and in the interests of security that was enough to convince him,

and the project had his wholehearted support. I thank the hon. member for his statement.

I do not intend, and I hope hon. members will not take it as such, to get into a debate with members from the maritime provinces concerning what has been done or what has not been done. But I think I should put on the record at least what my own department has done in two of the maritime provinces. I am referring to projects that are now in the making, and partly in construction, which amount to over $54 million. There are other projects with which my department is intimately connected or associated which total close to $40 million. Surely a member of the house cannot say his section of the country is being neglected when that amount is being spent.

Mr. Brooks: To what does the minister refer in making this comparison?

Mr. Chevrier: I am going to give the details. Again I say that I do not want to get into an argument, but I think in fairness to all members of the house the whole story should be told. The hon. member for Cumberland categorically stated that shipbuilding in the maritime provinces had been neglected by the federal government. In fact he went so far as to say that what had been given amounted to crumbs. We are spending approximately $38 million right now in connection with shipbuilding in maritime yards. But let me get back to what is being done in my own department. The causeway to bridge the strait of Canso is a measure of some importance, and it is going to cost $21 million. The ferry between Yarmouth and Bar Harbour in the state of Maine is a project which will cost $5 million. The terminals at North Sydney are costing $3 million; the ferry between Port aux Basques and North Sydney, $7 million. There are airport developments at Fredericton and Sydney, in the constituency of the hon. member who made a speech a moment ago, totalling $8 million. The national harbours board has projects in the two provinces of Nova Scotia and New Brunswick at Halifax and Saint John costing $10 million. This totals $54 million, and it is to be spent by the Department of Transport alone.

Then there is the naval program in the yards at Halifax, Saint John and Pictou for the construction of escort vessels, minesweepers and gate vessels, amounting to $29 million. There is the conversion work in other yards such as Pictou, Charlottetown, Liverpool, Lunenburg and Halifax, amounting to $8,500,000. All this totals about $94 million. Surely it cannot be said that no consideration whatever is being given to the maritime provinces. I have not dealt with Prince Edward Island or Newfoundland. I have dealt with two provinces because the complaints seemed to come mostly from those two provinces.

Before I deal with the two points made by the hon. member for Vancouver-Quadra, I want to say that I believe we are going off on a tangent on this project. For almost the entire time we have been discussing iron ore. This is not a project to develop iron ore. It is a project to develop power in the international rapids section of the river and, second, to build a canal 27 feet deep from the port of Montreal to lake Erie. Surely that is an all-Canadian project and a project that will develop wealth in Canada. It is the continuation of a program developed by Canada many years ago when it was first decided to build the Welland canal. The moment you develop the power by building dams in the international rapids section of the river, you drown out the 14-foot canals that are in that area. This immediately brings up the problem of constructing new canals. We could continue to build 14-foot draught canals and provide an expenditure for that if we so desired.

Mr. Brooks: The minister suggested that one of the chief reasons for the development of the canal was the ore coming from Labrador.

Mr. Chevrier: Yes, and I am not getting away from the question of the ore. I hope to be able to deal fully with it. What I am dealing with now is that we should have an all-Canadian project with reference to the ore, and my reply is that the main objective of the two bills which will be before the house is not the development of ore or the shipping of ore, but the development of power and the building of the seaway. What greater Canadian policy could there be than this seaway measure which establishes an authority to build and maintain the canal? True, if we go on with the 1941 development the authority will be able to build it jointly with the United States. But if the United States does not go ahead it is our purpose to build it on Canadian territory. What greater Canadian policy could there be than that? In dealing with the two questions raised by the hon. member for Vancouver-Quadra the other evening, I wanted to preface my remarks by that statement.

The hon. member said he has some difficulty or fears and anxieties—I do not blame him because those are questions which should be explained to the satisfaction of the house, if they can—about the fact that the greater part of this ore will be moved in United States bottoms. The first point is that by

treaty the United States has a right of navigation in the St. Lawrence river from the head of the lakes down to the sea, which was accorded many years ago. They have that right. In the next place, today a United States ship may pick up goods at our ports and take them to a United States port or to a foreign port. Conversely, a Canadian ship can go into a United States port, pick up United States goods and move them into a Canadian port. Those are provisions that are the law, and they cannot be changed unless we amend the law.

But there is what is known as cabotage. A United States ship cannot pick up a load of grain in a Canadian port and deliver it to a Canadian port. On that basis a United States ship might well pick up ore at Seven Islands, but it would have difficulty in bringing back grain. That is why I attempted to say, or rather I said the other evening, that we were developing new specialized carriers on the great lakes for the purpose of moving ore on the upbound movement and taking grain on the downbound movement, and that I was hopeful it would be possible—in fact, I feel quite satisfied that it will be the case—that Canadian ships will be used for this purpose.

My hon. friend said: "The minister is too sanguine. If he thinks these iron ore people in Labrador and northern Quebec are going to use Canadian ships, he is mistaken." I might conceivably be mistaken. But what has happened at Steep Rock? There the ore is moved in Canadian bottoms. What has happened at Arvida? The aluminum company, through its Saguenay terminals, move all of their bauxite from South America—from British Guiana, I believe it is—up to that district in Canadian bottoms. What has happened with reference to the development of pulp and paper in the lower St. Lawrence? All that is moved in Canadian bottoms. While I cannot say what the iron ore people are going to do in six, eight or ten years when this project is completed, I know there are being built right now in the great lakes area, for the purpose of this trade, the following ships: the *John O. McKellar,* a bulk freighter which will probably be from 13,000 to 15,000 tons; the *Sir James Dunn,* a bulk freighter which was launched the other day; one C.S.L. freighter which has not yet received a name; the *James Norris,* another 14,000-tonner; the *Gordon C. Leitch,* a 14,000-tonner; one Algoma freighter, a 14,000-tonner. Again, not so long ago the *Scott Misener* was launched, a bulk freighter with a gross registered tonnage of 13,081 tons.

Mr. Green: How many ships will be required altogether?

Mr. Chevrier: I am not able to say, but a substantial number of ships will be in this trade. These people who are Canadian operators would not be building these ships if they did not think they could get the trade. My hon. friend says: What assurance have we that they are going to get it? I cannot give the assurance and I do not think anyone else can give it. All we can do is to look at history and say here is what happened in other cases. As to these ships that are now being built, I can come to no other conclusion but that the iron ore people will use Canadian bottoms in which to move the iron ore.

My hon. friend made another important point with which I should like to deal, and it concerns iron ore. Perhaps we could call it 6.15, Mr. Chairman.

At 6.15 p.m. the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Chevrier: Mr. Chairman, when the committee adjourned at 6.15 I was just beginning to deal with the subject of iron ore and the argument made by the hon. member for Vancouver-Quadra, and some other hon. members, that we should look twice before exporting our iron ore. That statement and others that are allied to it deserve some consideration, and I propose to deal with it as best I can at this time. First of all I should like to say that the government yields to no one in its concern that Canadian resources should be developed to their maximum, and that Canadians should get the greatest possible benefits in employment and other forms out of these developments of our natural resources.

Our concern is as active in the case of the Quebec-Labrador ore deposits as in the case of any other resource. We certainly do hope to develop markets for iron and steel. Our hopes do not stop there, either. We will do all we can to develop markets for Canadian products made out of that iron and steel. At the same time, however, it is clear that in Quebec and Labrador we have iron ore in such quantities as to be surplus to any such domestic requirements for many generations to come. We do have markets that can be opened up for that ore. Steel mills that are now in existence are looking for new ore supplies, not hypothetical mills that are to be built at some vague time in the future.

Without relaxing our efforts to create a larger steel industry in Canada, based on

export markets, we wish at the same time to open up other markets that I have just mentioned for our iron ore.

I think the case of the Quebec-Labrador deposits can be compared with that of the Wabana iron ore from Bell island of Newfoundland. The Bell island deposits, as the committee knows, are made up of one of the largest deposits of hematite known in the world. Hematite is an ore with a comparatively high iron content. The Bell island mines are the main source of ore for the Sydney steel mills. But a large part of the production of Wabana ore is exported, and has been exported for many decades. Large new export demands have initiated an expansion program now under way that will mean a great increase in production. Anyone so irresponsible as to oppose this development would be attacked and with good reason, I am sure, by the very people who are complaining now that the iron ore from the Quebec-Labrador fields should not be exported. Why? Because the potential production of Wabana ore far exceeds any likely requirements of the Sydney steel mills for many generations to come.

Then if one looks again at the deposits at the Steep Rock and Michipicoten mines in Ontario the position is the same. Both ores are used to some extent in Canadian blast furnaces, but large quantities of lower grade ore are imported to mix with them in the furnace charge, while a large volume of the Canadian ores is shipped to the United States. Why? Because it is more economical to "sweeten" the low-grade with the high-grade in the furnace charge, and the high-grade ore is more valuable for this purpose than for direct charge to the furnaces in Canada.

Quebec-Labrador ores are high-grade too. However great the volume of steel production that may be achieved in Canada, it will always be to our advantage to exchange a quantity of high-grade ore for lower grade imports.

I think the same can be said of wheat. We have large quantities of wheat in this country, and we export large quantities; but we also mill large quantities. Other countries have flour mills, too, however. We are able to export our flour in competition with other countries. While our mills are competitive in cost and do get a large share of the world's milling business, they do not get enough of the world's milling business to keep them going. That is why it is necessary to export wheat. We do all we can to develop our flour markets, but I do not think any hon. member would suggest that we stop at that and refuse to export any of the wheat that is surplus to the requirements of the Canadian flour mills.

The same thing applies to the base metals, copper, nickel, lead, zinc and such other metals. A high proportion of the ores are smelted and the metal refined in Canada. In most cases there is a considerable domestic fabrication of the metal as well, and in some cases we do a sizeable business in the processed product, as for example, copper wire and cable.

I think, in so far as Quebec-Labrador ore is concerned, our objective is the same, but on the face of it the basic factors are not the same. Our success with base metals stems directly from the importance of cheap hydro-electric power in the reduction process. We do not have a comparable advantage in the case of iron and steel. The position does hold some promise, but I would be misleading the house if I were to say without equivocation that we can have the same success with iron and steel that we have had with base metals or for that matter with paper and other products that have been mentioned. But I do say that we will bend every effort to get the maximum advantage for Canada out of our iron ore resources.

It has been said during the course of the debate that little or nothing was being done in order to expand the present steel plants in Canada. I am not suggesting that what I am going to say now has been done by the government, but what I am suggesting is that a tremendous expansion in our steel production has been announced only quite recently. In that respect let me point out that all four major steel producers in Canada have large capital expansion programs that are under way at the moment. I refer first of all to the Dominion Steel and Coal Company at Sydney. It is spending $16 million for extensive modernization which, among other things, will add 100,000 tons to the theoretical steel capacity. This $16 million item is only one phase of a $44 million program involving also the increased output of Wabana ore referred to a moment ago, and $14 million for improvements at the coal mines. The Steel Company of Canada at Hamilton is spending $50 million to provide new blast furnaces and steel furnaces, which will add 450,000 tons to their capacity for smelting pig iron and 650,000 tons of ingot for an increase of 35 per cent in steel capacity. Dominion Foundries and Steel in Hamilton is building new blast furnaces at a cost of $16 million. Algoma Steel at Sault Ste. Marie is spending $40 million to add 360,000 tons to its pig iron capacity, 240,000 tons to its steel capacity and over one

million tons to its rolling mill capacity. Manitoba Rolling Mill Company is spending $1 million to add 90,000 tons to its rolling mill capacity. The total new investment directly in steel production amounts to $122 million, aside from Dosco's new investment in coal and ore production. Of this $122 million program it is hoped that about $68 million, or over one-half the program, will be completed this year.

I pause for a moment while I am still on this subject to quote from the remarks of the hon. member for St. John's West who took an opposite view to the view taken by the hon. member for Vancouver-Quadra. At the outset of his remarks the hon. member for St. John's West said he was of the opinion that the people of Newfoundland wanted this development. After paying a tribute to the hon. member for his independence he went on to say, and I quote from page 1695 of *Hansard* of December 7:

> At the same time I am sure he must recognize that even in connection with an industry of which he knows so much, the oil industry, the principal interests are from the United States. We must look to the richest country in the world to provide funds for the development and exploitation of our natural resources.

And a little later on:

> The hon. member for Vancouver-Quadra has stressed the desirability of the government promoting the smelting of iron ore in this country.

And again:

> It would be a great departure from the policy that has been pursued in the past in the development of the great industries of this country if the government should go into industries of that kind.

Mr. Green: I did not advocate that.

Mr. Chevrier: I know my hon. friend did not advocate that, but what the hon. member for St. John's West was saying, first, was that the people in Newfoundland are for this development and, next, that it would be a departure from government policy to attempt to go into this development other than in the manner to which I have referred, namely that the steel producers themselves should expand. There is already a tremendous expansion in the offing, a large proportion of which will be completed this year. There is no doubt in the world but that these mills will require a substantial amount of the Quebec-Labrador ore.

Mr. Brooks: Can the minister give us any idea what proportions will be used in Canada and in the United States?

Mr. Chevrier: I cannot say that at this time because it would depend on a number of contingencies. But when the matter comes up at a later date, at another session, it will be possible to give more accurate and detailed information.

[Mr. Chevrier.]

I do not want to get into a debate on coal, but I think I should make one short statement. I placed on *Hansard* certain figures provided by the bureau of statistics, and I have the assurance that they were approved by the coal board. I do not think those figures can be challenged. They point to a position where at least an additional million tons of coal from the maritime provinces could be marketed in the central markets. I do not think there is any doubt about that. In the railways and shipping committee in 1950 Mr. Gordon said that he could have taken 1,200,000 tons of coal. I am not going to analyse the reply made by the hon. member for Cape Breton South because I do not think there would be any purpose in doing so, but I do want to make this statement and I hope that he will not disagree with it.

There is no surplus available after distribution in the maritime provinces of the coal production at this time. As the house knows, there is a substantial government program on foot costing in the neighbourhood of $14 million having to do with the mechanization of coal mining, the object being to reduce the price of the coal at the pit head in that area so as to make it more competitive in cost. That is a government program which is now in course of operation. As I say, the result should be to cheapen the cost of coal. When I say that I have reference not only to the maritime consumers who purchase 72 per cent of that coal, but to those in central Canada who will buy it.

The other side of the picture is that if there is to be surplus production because of this mechanization program it would be available for export to Quebec at lower cost and therefore at a better competitive price vis-à-vis United States coal. If the present subvention policy administered by the dominion coal board is maintained, and I know of no reason why it should not be, I can give assurance to the house that every ton of coal produced in the maritime provinces over and above the local demand will find its way to the market, seaway or no seaway.

Mr. Carroll: Is not the answer to the fears expressed by the coal miners in Nova Scotia the fact that the greatest opposition in congress against the building of this canal was from the United Mine Workers of America?

Mr. Chevrier: I think perhaps that is a good answer. One hon. member was fearful of the damage this would do to the port of Churchill. Let me say immediately that those fears are not well founded, because the Hudson Bay railway, which operates to Churchill and which is owned by the government and operated by the Canadian National Railways

as agent of the government, will do everything possible to bring just as much traffic as it can over that line in order to keep the traffic, rather than see it all go down the lakes in the manner it has been suggested it will go. Then again, the Department of Transport have seen fit in the last two years to co-operate to the fullest extent with all groups to see that the greatest possible movement of grain is made through Churchill. In that connection I will refer to what has been done by the department in connection with the commonwealth shipping committee in London to have the insurance rates on grain reduced and to lengthen the navigation season. I am confident there will be not the slightest effect on the port of Churchill from the construction of this seaway.

Hon. members have questioned the powers of this authority. They have indicated that they feel it should be in the nature of a planning board. Hon. members have now seen the bill and know that it is not the intention of the government to make a planning board out of the seaway authority. On the contrary, it is the intention to give the seaway authority the power to construct the navigation canal between Montreal and lake Erie and to administer and operate the canals entrusted to it.

I have just one word to say about the cost and then I shall resume my seat. This afternoon we had an interesting speech by an hon. member who stated that this huge project may cost a billion dollars or even a billion and a half. The information we have is that it will certainly not cost that much. In so far as the power aspect is concerned, that is to be looked after by the province in conjunction with an appropriate authority on the United States side of the line, so this house is not called upon to consider any expenditure in so far as that angle is concerned. Neither is the house called upon to consider any expenditure so far as the navigation portion of the project is concerned. It is estimated that the navigation feature of the project will cost $245,993,000, which is broken down as follows: In the Lachine section for navigation alone, $98,229,000; in the Soulanges section, $37,116,000; in the lake St. Francis section, $2,513,000; in the international section, $106,833,000, and in the Welland ship canal $1,302,000, making a total of $245,993,000.

It is expected that these sums of money will be liquidated by the imposition of tolls. Surveys have been made in the Department of Trade and Commerce, and it is anticipated that by the imposition of tolls throughout the seaway it will be possible to liquidate the scheme over a period not exceeding fifty years. It will be possible to liquidate the interest charges, cost of operation and amortization. There is nothing so extraordinary about that. That has been considered by both the government of the United States and the government of Canada, and we are of the opinion that the scheme can be liquidated by the imposition of tolls in the manner set out in the bill. I think perhaps I have said enough at this stage. As I said earlier, I think we have been fortunate in that most members have found it possible to support these projects. If that is so, I am hopeful that from this point we shall be able to proceed more effectively than heretofore.

Mr. Graydon: My anxiety, as the minister is aware, for an early start on this undertaking prompts the question I now want to put to him. I imagine it is a question that is in the minds of a good many members who are desirous of seeing the plans proceeded with. As I understand it, Canada must go to the United States government for certain consents before the plan can go forward. When Canada goes to the United States for these concessions or consents, as the case may be, to develop the international rapids, can congress, if it follows its procedure in the past, block that, or has the United States government full power to give such consents?

Mr. Chevrier: I do not think I should attempt to answer any questions as to what any foreign power can do. I will be glad to assist the house as to what is my understanding of the procedure. We have, I think, full authority to build the canal on our side. The province of Ontario will require some co-operation with an appropriate authority on the other side of the line, but if I were to attempt to answer questions as to what is likely to happen in congress I might well make a misstatement which I would regret afterward, and I would rather not. On the subject of asking questions, we are on section 1, and my understanding is that when we deal with the sections seriatim we can probably have the questions then. I am just wondering if the discussion is completed.

Mr. Green: The minister undertook the other day that there would be an opportunity for complete discussion on section 1.

Mr. Chevrier: I am not suggesting that there should not be discussion; oh, no. Please do not misunderstand me. I am not suggesting that there should not be discussion on this section. Let there be the discussion there should be, and far be it from me to stop it, but if we were going to get a series of questions and answers on section 1, I was merely

suggesting that it might take place on the other section. However, I am in the hands of the committee.

Mr. McLure: When the minister was dealing with the steel companies of Canada he mentioned Dosco in Cape Breton. I would have liked him to go a little further and say that the plant there was to be greatly enlarged. After hearing the minister speak about these plants, one is inclined to ask why there is a scarcity of steel in Canada. When I spoke in the interests of the maritime provinces the other day with respect to the seaway project, I supported the idea that something definite should be promised us, and not only my own province. Indirectly we would derive great benefit if the steel plant at Sydney were one of the big steel plants of Canada.

Mr. Chevrier: Substantial expansion is taking place at the Dominion Steel and Coal Company at Sydney. As I indicated, it is an expansion which will amount to $44 million, the first phase of which is $16 million. My hon. friend says there is a scarcity of steel but it is not only in Canada. There is a scarcity of steel all over the world. It is one of the most critical materials.

Mr. Green: The other night I asked the minister the following question, as found at page 1689 of *Hansard* for December 7:

> Has the government any plans for a great expansion of Canadian steel production?

The whole tenor of my remarks was based on that question. I take it from what the minister has said tonight that there is to be no greatly expanded steel production plan for Canada arising out of these huge deposits of iron ore in northern Quebec and Labrador. He has explained that there is some expansion going on in the present steel plants, but apparently there is no broad scheme based on these huge resources. Can the minister tell us what percentage of the ore from northern Quebec and Labrador is to go to the United States? The department must have made some estimate of the amounts that will be used in Canada and the amounts that will be going to the United States. If the minister will recall, I quoted the other day a portion of the evidence given by Mr. George M. Humphrey, president of the M. A. Hanna Company of Cleveland, before the House of Representatives public works committee in Washington. In that statement he said that from 2 to 4 million tons of iron ore a year would be going to the United States Atlantic seaboard for use in the steel mills there, and that 6 to 8 million tons would be going up the St. Lawrence for use in United States steel mills in the lake Erie district. These figures add up to a total of 10 million tons, which I understand is the estimated annual production from the new ore body. What is the expected proportion that will be used in Canada and what proportion will be going to the United States?

Mr. Chevrier: I do not think anybody can answer the first part of the hon. member's question. The railway is not completed yet. The ore has not moved from Burnt Creek and Knob Lake to Seven Islands. It is not expected it will be moved before 1954. So until that time arrives it will be impossible to answer the hon. member's question.

The statement which Mr. Humphrey made I suppose deals with this position: when they do move their ore to that port of Seven Islands the St. Lawrence seaway will not have been completed. They have to get their ore out of there. They have to get it down to the market. So they will get it, I presume, down to the Atlantic seaboard ports. They will also move it to ports on the St. Lawrence, so I am informed, and from there move it by rail to the great lakes area. They will do that until such time as the seaway is completed, when they will be able to move it in the specialized carriers I mentioned earlier.

Mr. Green: The point I made was that, according to Mr. Humphrey, all of this iron ore is to go to the United States. Surely the government has made some investigation into the possibilities of using some of this iron ore in Canada. From what the minister said a moment ago he would not be able to answer that question until the railroad is completed and the first train of iron ore gets down to Seven Islands. That surely is ridiculous. The government surely must have given some thought to what proportion of this ore is to be used in Canada, and what proportion is to go to the United States.

Mr. Howe: Mr. Chairman, perhaps I can throw some light on it. I think my hon. friend has a misconception of the relationship of the ore business to the steel business. For example, we will take the Algoma Steel Company, which uses roughly 1,200,000 tons of ore a year. At the mine some fifty or sixty miles away they produce about that much ore—that is, about 1,200,000 tons a year. Of that ore Algoma itself uses about 300,000 tons. You say: "Why is that? That does not seem reasonable".

Mr. Green: They mix it.

Mr. Howe: A steel company must have many kinds of iron ore for the kind of products they are turning out at the time. You have two or three types of ore for an open hearth charge, and a different type

of ore for a Bessemer. It is common to put all this ore into what we call the great lakes pool of ore and to draw from that pool such ore as is required; also to put into the pool such ore as is surplus to the requirements of the owners of the pool.

It would be very difficult indeed to know definitely what was going to happen to Steep Rock ore next year. As a matter of fact the bulk of Steep Rock ore goes to the United States, for the reason that it is a very high grade of ore and no Canadian furnace can afford to use too much of it. All Canadian operations, I think, use some Steep Rock ore.

Then, getting back to the St. Lawrence, the stock of the Iron Ore Company I believe is owned by six steel companies, and by Hollinger and by the Hanna Company. I understand that there are eight owners. Mr. Humphrey as quoted was speaking about certain ore which has been allocated to certain steel companies. I understand each of the steel companies has contracted for a certain amount of ore. I understand those contracts represent about 50 per cent of the output of the mine. The railroad and dock facilities are being geared for an output of 20,000,000 tons of ore a year. So about half of it is sold on firm contracts, and half of it will be offered on the markets of the world.

It is anticipated that the Canadian mills will take such proportion of the ore as they can use. I have no doubt that Dosco will take a portion of their ore from this source. I am sure the steel mills on the great lakes will use a portion of that ore. But I do not think any man can say three years ahead where all the ore will be marketed. I certainly could not. It is anticipated there will be a good market in Europe. I understand there is a firm market for about half the output in the mills represented by the ownership of the property.

My hon. friend asked if the government has a plan. The government does not build steel mills; it never has, and probably never will.

Mr. Green: They help.

Mr. Howe: We help, of course. And I might say that four years ago I was so sure we needed additional capacity that I had put in the speech from the throne a proposal to help finance the expansion of the steel industry to about the size that is being built at the present time. I was not able to convince the mills that such capacity was needed. I regretted it very much. The best I could do was not good enough, and the capacity was not built at that time. Had it been built then Canada would have been in a much more comfortable position during the last two or three years, the last two years at least.

However, we do try as a government to keep the economy in reasonable balance; and we always try to see that the basic ingredients of industry are provided in ample supply. We stimulate that sort of development. That is why we are financing the mechanization of coal mines in Nova Scotia at the present time. That is why we have done everything possible to facilitate the expansion of steel mills. I might point out to my hon. friend that today Canada is not self-sufficient in steel, or I should say in ore. We use more ore than is mined in Canada at the present time, even though we export ore from Newfoundland, for the reason that its geography is such that it cannot be used in Canada. It is too far away.

Mr. Green: They are exporting ore from British Columbia, too.

Mr. Howe: Yes. My hon. friend thinks that is unfortunate. I am not so sure. I am just as anxious to develop Canada as he is. I hope he will give me credit for that. I will give him credit for being as anxious as I am. But it seems to me that the opening up of that ore is the first important step toward a steel industry on the west coast. Steel industries have been interested in that situation. They are faced not only with building a steel plant but with opening up a great ore-mining industry, which is expensive indeed. At least in future they will have three mines open on the island. That may give a selection of ore, or it may give all one grade of ore; I am not sure. But I would hope that out of the three widely separated points there might be a selection of ore. The fact that they can see that ore, the fact that shipping facilities are there, and the fact that it is being mined is a great inducement toward building a blast furnace to use that ore. Probably half the capital expenditure is already made when those three deposits are being mined.

I believe you have to do first things first. I believe you must first be sure of your raw product before you can go on to the later stages of development. That has been true of almost anything Canada has done. We first mined copper and sold most of it as ore. We have now built a great fabricating industry in the field of copper, and we export more finished products of copper than the refined copper. That is true of zinc, and it is true of lead. The proportion of zinc fabricated in Canada as compared with zinc produced in Canada goes up rapidly every year.

By first opening up the iron ore—and by "opening up" I include the improvement of the St. Lawrence because that certainly opens up that ore to the steel mills of the great lakes—I believe that is the first

important contribution to the expansion of steel that will follow, as it always has followed in this country. Our steel capacity has been expanding steadily for a good many years.

Mr. Green: We are still only producing about two-thirds of our requirements, are we not?

Mr. Howe: We were producing before the war about three million tons and importing about one million tons.

Mr. Green: Is there not apt to be a tremendous increase in the demand for steel? Take for example the oil pipe lines, and developments like the aluminum plant in central British Columbia, and the development at Lynn Lake, as well as various other developments in Canada on a scale greater than we have ever had. Is it not likely there will be a tremendous increase in the demand for steel within Canada? If that is so, should not some more aggressive steps be taken to increase our steel capacity? The minister had admitted that a year or two ago we really needed the expansion of our steel industry, but it did not take place because the companies were unwilling to go ahead. We do not want to get into that position again. It does seem to me that the demand for steel is going to increase at a greater rate in the future than it has for years past.

Mr. Howe: As an optimist, that is my own view. My hon. friend and I are optimists. You could have a basic steel expansion for the isolated projects the hon. member mentions, projects that will be finished in the next two or three years. I am sure we both believe there will be other projects to follow for which we shall need more steel.

Mr. Green: Such as the South Saskatchewan and St. Lawrence waterways projects.

Mr. Howe: Yes, they will take some steel. Nevertheless, there is an expansion of 33 per cent in capacity in progress at the moment. Blast furnaces are being built and finishing capacity is being installed. In order to justify a steel plant you must have three things. You must have iron ore available; you must have coal available, and there are several other ingredients you must have available which are less important. But above all you must have customers within reach. This accounts, of course, for the location of the steel plants we have. The owner of a steel plant always keeps his eye on the customer situation to make sure the plant can operate at an economic level, and that is usually about 60 per cent of capacity.

Mr. Green: Is there any reason steel plants could not be successfully installed on the lower St. Lawrence?

[Mr. Howe.]

Mr. Howe: You would have the iron ore there, but you would be still a long way from the coal and you would be an even longer distance from customers. I believe the latter ingredient would be most difficult. You would be moving finished steel instead of the ingredients.

Mr. Gillis: Will the minister indicate when this steel expansion program about which he talks will have shown results? A few days ago I believe he said that it would be perhaps 1953 before we began to see the results of this 33 per cent expansion in basic steel. Will he indicate what part of that 33 per cent is being made at the Sydney plant?

Mr. Howe: The first results of the expansion are already operative. The blast furnace which was built within the last 18 months at the plant of Dominion Foundries and Steel in Hamilton is now in operation, and we are getting the benefit of that additional production. The expansion at Sydney is in the direction of finishing capacity, because at Sydney the production of primary steel was out of balance with finishing capacity. As the hon. member knows, we were shipping billets from Sydney to be finished in Montreal and Hamilton. Additional finishing capacity is being put in so the operation will be brought into better balance. Just when it will come into production, I cannot say. I understand that $14 million is being spent in the present operation as part of a $40 million project. I am not familiar with the details.

Mr. Quelch: I have always been under the impression that when the St. Lawrence project was completed ocean-going vessels would travel up to the head of the lakes to pick up cargoes of grain. In his speech the other day the minister made it clear that this will not be the case. It will only be the case where a vessel has an inbound cargo. Otherwise the cargoes of grain will continue to be brought to Montreal by lake steamer and transferred at Montreal to ocean vessels. At page 1579 of *Hansard* for December 4, 1951, the minister said:

> The prairies would find a substantial saving in the cost of moving grain, flour and other products to markets in eastern Canada and overseas.

If the grain is going to continue to be brought down by lake steamer and then transferred at Montreal to the ocean-going vessels, where is the saving in cost?

Mr. Chevrier: The savings will be in the disappearance of the 14-foot canals. Today grain is taken from the head of the lakes to Port Colborne, Prescott and such places

as Port McNicoll. There it is transferred into smaller ships and brought down to Montreal.

Mr. Browne (St. John's West): In the course of the debate the other evening I made a reference to a statement made by the hon. member for Cape Breton South. May I recall what I said, as it appears on page 1695 of *Hansard* for December 7:

> I hope I do not do him an injustice when I say that the hon. member for Cape Breton South seemed to me to favour nationalization, that the government should take over the business if private enterprise is not willing to do it.

Here is what the hon. member said as it appears at page 1674 of *Hansard* for December 6:

> As I suggested when I spoke before, I am prepared to support this project as one part of a large public investment program by the federal government. This authority to be set up should have the right to develop any potential power or other resource within a reasonable distance of that area.

Then in the next paragraph but one he said:

> I think the government would be well advised to have another basic steel plant. This would not be asking very much.

Further on he says:

> A new plant could be set up or the Sydney plant could be expanded, possibly by the use of public funds.

Well, if I misinterpreted the hon. member's remarks I am very sorry, but it seemed to me to be plain, from those and other remarks he made with reference to what is going on in Newfoundland at the present time, that he seemed to favour a policy of nationalization of the steel industry. The hon. member went on to make reference to Newfoundland. I can forgive him for what he said about me, but he made some remarks about Newfoundland which I believe he would not make again if he had the opportunity. On page 1697 of *Hansard* for December 7 he said:

> . . . after years and years of the kind of development visualized by my hon. friend, Newfoundland stood as a rather badly undeveloped and in every way neglected section of North America. In 1944 I heard a representative of the British government make a report to a meeting in London.

On the next page, he said:

> After listening to the report of that commission of government on the educational standards, the economic backwardness, the lack of sanitation and everything that was not modern in this world, if I had not known the section of Canada that was being referred to I would have thought the representative of the British government was describing a section of South Africa where civilization has just gone in to make a survey.

Now, sir, I have here a document published by the Department of External Affairs and entitled "Newfoundland, Canada's New Province". This document contains a statement of the expenditure per capita on education in the year 1944 in Newfoundland, the year to which the hon. member referred. Apart from what is spent by religious institutions and contributed by charitable bodies, Newfoundland spent $9.35 per capita; Prince Edward Island, $7.74; Nova Scotia, $9.41 and New Brunswick, $8.80. Therefore educational standards in Newfoundland stand up very well in comparison. Apart from that, sir, Newfoundland had the distinction even in this country of having higher educational standards than most of the provinces. I do not know to what the hon. member was referring as economic backwardness, because in 1944 Newfoundland had its highest foreign trade on record; it was over $100 million. He speaks of the lack of sanitation. Is a country going to be judged by the system of plumbing which it has? If that is so Italy and France as well as many other European and South American countries would come in for general condemnation, as would parts of this country.

Newfoundland came in for condemnation for having everything that was not modern in this world. Down there we have the largest pulp and paper plant in the world, and we have the best fish-processing plant in the world. But apart from that, I think everyone who has been to Newfoundland will recognize the fact that we have a law-abiding and Christian people, even if we have not all the modern facilities we might have. Those who go there enjoy themselves. Thousands of Canadians and Americans who went there during the war spoke very highly of Newfoundland. Only yesterday I heard a gentleman high in the civil service of this country state that the week end he spent down there was the happiest in his life.

The Chairman: Order. It seems to me that we are getting away from the matter of the seaway.

Mr. Browne (St. John's West): Mr. Chairman, I only wanted to draw to the attention of the committee the incorrect statement made by the hon. member for Cape Breton South.

Mr. Gillis: Mr. Chairman, I have no intention of tying up the committee. What the hon. member for St. John's West thinks—

Mr. Pouliot: Speak louder, please. What you are saying is of the utmost interest.

Mr. Gillis: Whatever the hon. member for St. John's West thinks or says in this chamber is not a great national issue. I have no intention of tying the committee up on the matter. What I objected to a few nights ago was the hon. member's misinterpretation of what I said. He has clearly indicated now that he does not know the difference between the nationalization of an industry, what I propose to the government, and what is going on in

Newfoundland. Nationalization, as I understand it, means that there is an industry set up and the government decides to take it over. They are nationalizing an asset that was created by someone else, and it is generally done on the basis of compensation; but it is the taking over of an established industry. What I proposed to the minister, and it is relevant to the bill before the committee, is that this now is a government development. The taxpayers are going to provide the capital. I suggested that what should be done, if possible, was to do it in a manner similar to the T.V.A. development in the United States in so far as we can do it. That was a government-sponsored project. It was on a co-operative basis. There is not anything that would suggest its nationalization. It is operating now successfully in the United States, and I think it is an outstanding example of what can be done by government research, competent engineering, capital and direction by the government. There is no suggestion of nationalization there.

The same thing is true in Newfoundland. The government of Newfoundland is providing the capital, or at least 50 per cent of it. It is giving this encouragement to industries to come in. The Newfoundland government is creating something. They are not taking something over. It certainly is not nationalization. The expansion of the steel industry talked about by the Minister of Defence Production is being done along exactly the same lines. I think I am safe in saying that 50 per cent of the capital that is going into our present steel expansion is government money given to the industry to encourage them to expand in a time of crisis and need. That certainly is not nationalization. Perhaps the hon. member caught me in a rather unhappy mood the other night. When I said what I did, I did not mean anything disparaging.

Mr. Riley: Now you are sorry.

Mr. Gillis: No, I am not sorry. I am never sorry for anything I say; but I am in a better frame of mind tonight, and perhaps I am more reasonable. I did not have any intention of being disparaging or of casting any reflection on Newfoundland. The hon. member for Melfort, the hon. member for Rosetown-Biggar and myself heard Lord Ammon make a report of a survey on social and economic conditions, with particular reference to the outports in Newfoundland; and the description that I and the other members along with me heard left a great deal to be desired along many lines. But of course there are many sections of Canada to which the same description might be applied. I do not want to tie the committee up any longer. I am quite satisfied with what I put on the record, if the hon. member for St. John's West is now satisfied. It is not a great national issue, as I said before.

The Chairman: Shall the clause carry?

Mr. Browne (St. John's West): May I thank the hon. member for Cape Breton South for his explanation. I just want to point out one thing to him, namely that there is a difference between what is going on in Newfoundland and what he said, because the Newfoundland government is actually setting up in that province industries financed with government funds and operated by the government.

Mr. Knowles: I should like to ask the minister one question. If he has dealt with it he can tell me so readily. I appreciate the position he took with regard to any questions as to the position taken in the United States. If my question transgresses the position he took, of course he can tell me and all is well; but I should like to put this question to him. Is there any point—and I mean point in time—beyond which it would no longer be possible for the undertaking to be a joint Canada-United States undertaking?

Mr. Chevrier: I think I can answer that question. Yes, there must be a time. When that time is I am unable to say, other than to repeat the general statement made by the President of the United States and the Prime Minister of Canada to the effect that if congress did not come along at an early date, then the President of the United States would be quite prepared to approve of this project as a second best choice, on condition that we would undertake to build the seaway.

Mr. Knowles: The minister says that he is not able to indicate the exact date, although he realizes there has to be a point. Does the bill now before us close the door in any way or set any time beyond which there could not be a joint undertaking?

Mr. Chevrier: No, it does not.

Mr. Browne (St. John's West): Is there any relation between the works that will be done for the hydroelectric project and the works that will have to be done for the seaway project?

Mr. Chevrier: No, there is not.

Mr. McLure: Last year some time a committee of the congress of the United States came here to talk the matter over with a similar committee in Canada, of which I think the Minister of Transport was chairman or with which he was connected is some official capacity. I have often wondered about it. There was a great deal of talk at that time

about this committee of the congress of the United States, and that they were here to discuss this St. Lawrence deep waterway. What was their reaction when they bade good-bye to Canada and had nothing more to do with this St. Lawrence waterway? Did they consider it to be an impossibility, or why did nothing further develop from that meeting of the committee of congress with a similar committee in Canada?

Mr. Chevrier: The committee that came to Canada to view the site of the Long Sault rapids was a committee on public works of the House of Representatives of the United States. It is not the first time similar committees of both the House of Representatives and the Senate have come to view the sites. They did not come here to deliberate with any opposite group in this country. They simply came to take a look at the works and to see the situation for themselves. That was only part of the visit which began at the Mesabi range at the head of the lakes, went right down through the whole of the project along the United States side and into the Canadian side at Beauharnois and Lachine, and ended at Montreal.

I was in contact with the chairman of the committee, Mr. Buckley. During his stay in Canada, he was sanguine about the whole thing. But of course he had to go back to the public works committee of the House of Representatives, which he did. I understand that some discussion took place later there, and that the bill which was under discussion at that time was not reported to the floor of the house.

Mr. Drew: Mr. Chairman, I do wish to refer back to comments that were made by the Minister of Transport before the dinner recess. At that time he seemed to express some measure of surprise that so much time had been devoted to the discussion of iron ore, when we were in fact discussing a deep waterway project. But the fact is that the discussion of iron ore was introduced by his own statement to the house at the time he was explaining the advantages of this development. And one of the things which it would seem not only points up this discussion on the basis of the use of iron ore but also raises some additional measure of concern on the part of representatives from the maritime provinces was the emphasis which he placed upon the fact that this seaway would make it possible to convey the iron ore to great steel mills in the United States. I refer to what is reported at page 1576 of *Hansard*, where he had this to say:

> Now it also promises to be the key that will unlock for the future the iron ore fields of Quebec and Labrador. It will open large new markets for these ores in the great lakes area, otherwise largely out of economic reach. And on the other side of the coin it will give those interior steel mills the best new source of ore at the lowest cost, a matter of serious concern at the moment.
>
> Iron ore. The mills within reach of the great lakes account for about 75 or 80 per cent of the steel produced in United States. They draw ore preponderantly from the iron ranges of the lake Superior district. The immediate problem is not the exhaustion of these ores, although that too may be expected at some more or less indefinite time. The point is that production of the ores now in use has just about reached its maximum annual rate, and that maintenance of even that rate promises to involve a continued increase in costs. Meanwhile ore requirements continue to rise, not only because of additions to steel capacity but because with a shortage of scrap it is taking more pig iron to make a ton of steel. The problem thus is one of a growing gap between supplies and requirements.

The minister went on to explain that the construction of this deep waterway would make it possible for the iron ores from Quebec and Labrador to sell at prices which would make it possible for that iron ore to be sold to those great mills in the United States. May I emphasize the fact that in no remarks I made at any earlier stage did I suggest that we should not export iron ore to the United States; and so far as I am aware that argument has not been made. The argument that has been made is that there should be assurances that we are going to make the maximum possible use of iron ore in this country.

There are reasons why it would not be proper for us to place an absolute prohibition on the export of iron ore. Very large sums of money have been invested by companies in the United States in the development of this iron ore. It is unlikely that the maximum production now under way would have been actually yet undertaken were it not for the fact that companies in the United States had been prepared to invest capital in this venture. I do not think Canadians will wish to have the contracts of those companies disregarded at any time, or to see any suggestion of repudiation of the basis upon which we have encouraged and accepted investment in this country.

Having said that, however, we then come to what is to be done to encourage a greater use of iron ore in this country. We have heard speeches by hon. members from the maritime provinces which indicate very clearly the great concern they feel about the emphasis that is being placed upon the facilities that will be offered for concentrating still further industrial production in the central part of this country. I for one do not believe that anything except our own lack of vision could possibly prevent immense increases in industrial development in the central part of the country. I share, however, the sentiments of the hon. members from the maritime provinces, and I have already

expressed my belief that at a time when the government is undertaking to spend so much of the people's money to provide facilities of this kind, it should give clear and positive evidence that it is going to take whatever effective steps it can to assure that there will be as great a decentralization of industry in this country as possible; and that local demands are created for iron ore in these areas where there will be opportunities not only to produce iron and steel for the local and Canadian markets, but also to export from seaboard to the markets of the world finished products from the iron and steel which could be made there if the steps are taken to provide power at low cost that could be taken, and which have been discussed here on other occasions.

I would recall the remarks of the Minister of Transport when he took up the suggestion he understood had been made by one hon. member that probably this iron ore would be largely carried by ships from the United States. He pointed out that there is a very large program of shipbuilding now under way in Canada, and that just within these past few weeks some of the largest freighters ever built in this country, or in fact on this continent, have been launched, the last of them just within the last two or three days. I think there is evidence, as he says, of the confidence that is in the minds of many Canadians, and may I add also of people living in the United States, that there is going to be a great expansion of shipping, and that accounts for the number of these new ships that are being built. However, time will tell whether the preponderant part of that ore will be carried by Canadian ships or by ships from the United States.

I wish to deal particularly with what the minister said about the production of iron ore at Steep Rock and also of aluminum in processed form at Arvida. He asked: what has happened at Steep Rock? What has happened at Arvida? What has happened to the development of pulp and paper? He asked these questions in relation to the use of ships, and indicated that Canadian ships were carrying large quantities of iron ore from Steep Rock and aluminum from Arvida and pulp and paper from the great mills along the waterways of the interior of Canada. I think the question he asked, though, produces an answer that does underlie the importance of some further efforts being made to assure Canadian use of the iron ore. What has happened at Steep Rock is that that rich concentration of iron ore is going to the United States, whether in Canadian bottoms or in bottoms from the United States. That is not a limitless source of ore; that is something that cannot be replaced when it is gone. It is true that a good mine has been developed there and that money is coming in for that ore, but we are receiving that money at the lowest level at which ore can be sold, except that ore which, as has already been mentioned, is being used in mills in Canada in mixture with other ore.

There is a difference between shipping pulp and paper and shipping iron ore. Pulp and paper is the result of a crop. True it is not an annual crop, but it is a recurring crop over a long period of years. It is a crop that can be maintained indefinitely if proper methods are employed. That is not true of iron ore. We are exporting pulp and paper because steps were taken to make sure that the highest possible employment would be created through the actual processing and manufacturing of wood products in this country. No objection was taken in the United States when the provinces of this country showed adequate concern over their legitimate self-interest and introduced a manufacturing clause into the contracts under which pulp logs were cut. If there are any people in the world who recognize legitimate self-interest it is the people of the United States, who have always practised that principle in relation to the development of their own resources.

In his earlier remarks the minister said this was something that the provincial governments could do, that it was not something the dominion government could deal with. The provincial governments have no authority over export as such. The provincial governments exercise control over export by licensing the cutting and making contracts under which the raw materials are used. The control they exercise over export is not direct, but there is effective control exercised by the terms they impose in the contracts under which the right to cut is given.

The dominion government has the right to deal with export and to impose any terms on export that it sees fit. As many hon. members will recall, we discussed for some considerable time certain questions relating to the export of oil and natural gas. It was fully recognized at that time that the dominion government and the parliament of Canada have the responsibility of dealing with export of that kind. There is no question about the fact that the dominion government and the parliament of Canada, where it is necessary to pass laws to deal with the subject, have authority. In fact they have the only authority to deal with exports as exports. I point that out because hon. members from the maritime provinces and from other parts of Canada which are not going to benefit

directly in a way that can be seen at the moment, or to the extent of the central provinces, wish to have some indication that the government is prepared to use the authority it possesses, either under legislation now in existence or by legislation to be introduced, to assure the maritime provinces that where it is within their power they will take proper steps to bring about a greater decentralization of industry and an expansion of industry in the maritime provinces. That can be done so long as iron ore to be produced in this way is available under favourable terms to mills in the maritime provinces which could smelt it and produce pig iron or steel to be used ultimately in the industrial activities that could be encouraged in that way.

As has been pointed out, it is true that the dominion government does not build mills or directly actually enter into industrial developments of this kind in the ordinary course of events. However, the fact remains that the dominion government is exercising substantial influence on the location of plants by the fact that it is taking steps to assure certain types of production, and in taking those steps of course it has a great measure of choice as to where the developments will take place.

I recognize that this is not something that can be dealt with overnight. These are long-term plans that are being discussed. It is going to take considerable time for the railroad into the Quebec-Labrador ore areas to be completed and for the actual production of ore to reach the point where it will be flowing out to the port from which it will be carried. However, that very fact gives us time to take those steps which would encourage the increased construction of milling capacity in different parts of Canada to use the ore when it becomes available. In fact, if the plans are made now and encouragement given at this time, the mills would hardly be more than ready when the ore would actually be available for their expanded capacity.

It has been explained to us tonight that at Sydney, Hamilton, the Sault and elsewhere construction is under way. It has also been explained that the dominion government has actually assisted in the financing of the mechanization of the operation at Sydney. But it seems to me we should bear in mind that we have a statement by the Minister of Transport that we now have reserves of iron ore on such a scale that within no measurable term of years can we expect to seriously deplete the total reserve. We also have something else. We now have a mixture of different types of ores to an extent which we did not have only a comparatively few years ago.

Therefore it would seem only reasonable for us to examine just what our target should be, recognizing that most of us in this house believe in the free enterprise system and the development of operations of this kind by proper investment under proper encouragement. What is the target we should be aiming at? It has been mentioned that with a demand of something in excess of four million tons we have been producing a little over three million tons. But every hon. member knows that we are very short of iron and steel at this time. Every hon. member knows also that we are importing large quantities of products of all kinds made from steel which might well be made here if sufficient encouragement were given. Therefore we cannot measure our needs simply by what we are using at the present time. If we were producing the same amount of steel in this country that is produced in the United States in proportion to population we would be producing approximately thirteen million tons instead of just over three million tons. It has been explained that work is under way which will substantially increase our steel production, but only by a small fraction of that requirement based on our use of steel in the same proportion that it is being used in the United States. I think our target is a point far beyond that. We are seeing this country develop as it has never developed before; but we are only seeing the beginning of what can come in a country that now has such vast quantities of iron ore, oil, uranium and the other things which will go into industrial expansion in the years ahead.

Our target should be something like 15 million tons of steel a year, and even that will be far below what this country will be requiring within a comparatively few years. It will be far short of the amount the country can use to great advantage if we recognize that steel is the metal base of industrial development and economic strength. As I mentioned in an earlier speech, for centuries alchemists tried to transmute base metals to gold. Today we do not need to transmute iron to gold; it is the most precious metal of all. We have iron ore, we have electric power and we have oil available in ever-increasing quantities. We have inland waterways to carry the ore and our finished products back and forth. We have harbours at the seaboard to ship our finished products to the markets of the world. It is one of the most challenging prospects that has unfolded before any nation.

With all that has happened, we are now entering the period of greatest opportunity

this country has ever seen, and that opportunity will be largely measured by the encouragement that is given to processing, finishing and manufacturing based on steel. I am not talking only of processing to the point of the steel ingot. I am talking of all the associated industries that will grow upon the expanded use of steel in Canada. Just as Great Britain suddenly emerged from the stage just over a hundred years ago where its population was a little more than our population today to a position of great international power and wealth, this country is at the beginning of a historic period when we may see our population grow to numbers far beyond anything we have yet dreamed.

When I say that I am not suggesting, as is said sometimes, that we should suddenly start shuttling ships across the ocean bringing large numbers of people here. If we hold in this country the population that is born and brought up here we will be increasing our population a great deal more than it has been increased for some time. Population also has a habit of adjusting itself to the capacity of a country to support population. In the United States the population has grown because of the employment created through resources which they have put to such good use. That is what we should be looking forward to in this country, and what we can look to with great advantage at this time.

The Minister of Transport (Mr. Chevrier) has spoken of the fact that from the economic point of view we must export ore for the purpose of opening up this development. Very well; let that be done. But let us remember it is Canadian ore that has been found in our own soil and, while we encourage others to come here and make developments of this kind, when we spend huge sums of money to make it possible to move the ore back and forth we can also say very appropriately that Canadian consumers should have certain advantages in the use of ore that we produce in our country. There is nothing unreasonable in that attitude. There would be nothing unfair to the people of the United States or elsewhere if by appropriate measures we actually create more favourable terms for the Canadian industrial consumer of our ore so we might encourage great industrial development based on this raw material in the same way that we encouraged industrial development in the use of wood products a few years ago and made it the greatest money earning industry we have in the country today.

While this discussion takes place on the first section of the bill in committee after it has received second reading, I should like to point out that what was under consideration on second reading was the principle, and I think it is greatly to the credit of hon. members, who come from parts of the country that feel their position may be jeopardized by a measure of this kind unless certain assurances are given to them, that they should have accepted the principle contained in the bill and not voted against it, although there may be so many reasons from their point of view why it is difficult to make a decision of that kind without much stronger assurances than they have been given in the bill now before us.

Now we have the details presented to us for consideration. I hope the Minister of Transport will reassure those members who have expressed that measure of concern, and all of us who hope to see immensely expanded industrial production based on the use of iron and steel in this country, that along with a development of this kind, which according to the words of the minister will carry ore into that area where 75 or 80 per cent of the great steel mills of the United States now operate, steps will be taken to decentralize industry across Canada in every way possible. I hope he will reassure us that appropriate steps will be taken to give to the Canadian producer certain advantages in the use of our own ore which under a system of free enterprise and private investment will expand the steel industry and related industries of this country on the scale that is justified by the resources we now possess.

Mr. Stuart (Charlotte): Mr. Chairman, I should like to take a few minutes to say a few words on the bill. Several members from the maritime provinces have expressed their views, and I should like to mention particularly the hon. member for Cape Breton South and the hon. member for Saint John-Albert, who spoke today. I wish to go on record as supporting to a great extent everything they have said. I realize that every citizen of the maritime provinces is very much interested in expanding our steel industry or any other industries that we may have, and in the creation of any new industries that might be set up there. I have spoken on the St. Lawrence waterway on two other occasions and expressed my views very clearly. However, there is one thing I have not heard discussed so far in this debate, and that is the change in the bill before us now having in mind suggestions that have been made in the years gone by.

I refer to the original agreement between Canada and the United States on the great lakes-St. Lawrence navigation and power project. When that was discussed originally many years ago it called for the free passage of vessels throughout the entire length of

the St. Lawrence waterway. At the present time such a policy exists on the St. Lawrence waterway. Vessels from all parts of the world use the canals and the waterway free of tolls. Under the proposed all-Canadian St. Lawrence seaway authority, tariffs of tolls will be established. At this point I should like to quote the Minister of Transport as he is reported at page 1707 of *Hansard* for December 7. The hon. member for Lethbridge had asked a question, to which the minister replied:

> The United States have manifested great concern over it.

He was referring to the statement concerning the deepening of the St. Lawrence waterway.

> The position of the President of the United States is indicative of that, when he states that he is willing, if the congress does not act within a reasonable time, to consent to the development of this project in conjunction with us, both as to power and navigation.
>
> In so far as the first part of my hon. friend's question is concerned, if he will only wait until the bill comes before the house he will find the seaway project is self-liquidating. He is going on the assumption that the taxpayer is going to be faced with a tremendous expenditure. In the original statement I made I indicated that it is intended to liquidate the whole project by the imposition of tolls.

If as the minister states this project will be self-liquidating—and I have no reason to doubt that statement—then there is little argument so far as the taxpayers of this country are concerned as to other parts of Canada which would not be benefited by the deepening of the St. Lawrence waterway being obliged to pay their proportionate part of the costs.

That particular section in the bill will take away much of the feeling that has been created in the maritime provinces to the effect that we were paying a proportionate share of the cost of something from which we would receive no benefit. If the tolls which will be charged when the St. Lawrence waterway is completed will completely maintain operation and pay for the cost of building the waterway development, then there is very little in the way of increased taxation that can be used as an argument against this huge development, which I believe we are all pretty well convinced will be a benefit to all Canada.

When I spoke on this same subject on one or two former occasions I opposed it, stating that it was a project which, although financed by all the Canadian people, would bring no benefits whatever to the maritime provinces. But since I am convinced it will be self-liquidating, and that in the final analysis it will not cost the Canadian people anything, I cannot do other than support it.

Mention has been made of certain projects we would like to see developed in the maritime provinces. I believe the minister is well aware of them. In fact I have no doubt all cabinet ministers are aware of them. They have been brought to their attention on many occasions. I have faith in the cabinet and in the government, and I am going to support the bill without hesitation, convinced in my own mind that we in the maritimes will not be forgotten and that the many things we have brought to the attention of the government, which we feel would be beneficial to the maritimes if developed, will meet with the government's approval. I believe we can rest assured of their assistance.

Mr. Brooks: Like the hon. member who has just taken his seat, I have spoken on this project on other occasions. I wish now to make only a few remarks with reference to statements made by the minister before six o'clock. He indicated that because about $92 million was being expended in the maritime provinces we should not complain about the development of the St. Lawrence seaway. He made special reference to the Canso causeway in Nova Scotia. When I spoke before I made reference to that project. It is in Nova Scotia. I said that while those of us in New Brunswick will receive no benefit from the causeway at Canso, still we were anxious that the development should take place.

He mentioned also the ferry between Bar Harbour and Yarmouth in Nova Scotia. This, also, will be of no particular benefit to New Brunswick, but we have no objection to it. As a matter of fact it will be to the disadvantage of New Brunswick. It is for the development of the tourist trade of Nova Scotia. Whereas in past years cars coming from the United States came through St. Stephen and up through Saint John and Moncton to Nova Scotia, we will now lose that traffic on account of the ferry. He also mentioned the Saint John airport. Let me remind him that Saint John waited a long time for the airport. I doubt if there is another city in Canada that has waited as long or as patiently as the city of Saint John. It was entitled to the airport. Although we are always grateful for anything given to us, I do not think we need feel too grateful in this respect.

He made further reference to Fredericton, another city which waited a long time for an airport. He mentioned the ferry between Cape Breton and Newfoundland. He must know that the ferry between Cape Breton and Newfoundland was promised to the people of Newfoundland when they entered confederation. While we are grateful for these things they are what we should expect, what we are entitled to expect. The expenditures

on these developments are no greater than the expenditures on similar developments in all the other provinces of the dominion.

Airfields, causeways and ferries are good in themselves; but they do not make employment for our people. We would rather see the development of some project like the Chignecto canal, or the project at Passamaquoddy, where cheap power would be produced in the maritime provinces and industry would be encouraged. That is what we ask for; that is what we feel we are entitled to, in addition to these other things the minister has mentioned.

My leader spoke about our fear of centralization of industry. That is exactly what we fear. We have seen our young people leave our province because of the lack of industry. We believe the development of the St. Lawrence seaway and St. Lawrence power will create more industry in the central provinces, and will take more of our young people away from the maritime provinces unless there is a power development in that part of the country.

I have very little more to say. The minister tried to leave the impression that because we had received $92 million for the development of certain public works we should be satisfied. We are not satisfied. We want developments which will increase industry and give employment to our people. That is what we are asking for, something along the lines mentioned by my leader tonight, and to which reference has been made on other occasions. I do hope the minister and the government will keep these things in mind. The hon. member for Charlotte has just said that the cabinet is well aware of the requests of our province for the development of Passamaquoddy and Chignecto. I hope they will keep those matters in mind. If the government helps in the development of these projects, then in time I am sure they will be self-liquidating and self-supporting. I am also satisfied they will bring industry to the maritime provinces. As no doubt the St. Lawrence seaway and power project will be a great blessing to the central provinces, so the development of these projects would be a great blessing to the maritime provinces. We would have in Canada not only a prosperous central section, but prosperity in the maritimes and other sections.

That is what we are asking for. We ask not only for a causeway, not only for the airports to which we are entitled anyway, but something further which will develop our industries.

Mr. Nowlan: Just before this section carries, may I say that I was not in the house the latter part of the afternoon when the minister opened the debate, as I was attending the public accounts committee. I am not in a position, therefore, to discuss with him the proposed expenditures which I understand he enumerated. The hon. member for Royal has spoken about these moneys having been expended. I believe he is a little optimistic in that statement, judging from the projects I heard mentioned. They are still promissory notes, and are a long way from being cash. The causeway has been promised for at least twenty years, and bobs up before every election. Then, it subsides again beneath the waters of Canso strait. This time we are accepting the assurance that the government will go ahead with the scheme. Similar remarks could be made about the other projects mentioned.

I rise simply for the purpose of asking the minister if he would clarify one point he mentioned this afternoon. Specific mention was made of the proposed ferry from Bar Harbour to Yarmouth as something which has been constructed or which would be constructed. I might also let the minister know of a personal note in connection with that particular ferry. It has been promised for some considerable time. Plans were prepared and, as all hon. members know, this ferry means a great deal to the province of Nova Scotia because it does assist in the development of the tourist industry. I was shocked one day to read in the Ottawa *Journal* or the *Globe and Mail* a statement by the Minister of Transport that the construction of that ferry would be postponed because of a shortage of steel. I have not looked at my files to check the dates, but I believe that was about two years ago.

Then as I recall it, speaking again from memory and without trying to be accurate as to dates but it seemed to me within a week or two weeks, the hon. member for Stormont, who happens to be the Minister of Transport, speaking in his own constituency said the time had come when the St. Lawrence project must be proceeded with at once. If the government of the United States was not going to do it, then certainly the government of Canada must do it. To say the least, I was irritated and I believe many others in the maritimes were, at the suggestion, I know unintentional, that it was possible to find steel for such a huge project which meant much to the productivity of Ontario, but it was impossible to find a quantity of steel for a project which to some extent was comparable in that it would bring new dollars into Nova Scotia. I simply say that in passing. It still rankles when I hear this project mentioned. Since the minister has introduced the subject, and since there is some doubt as to when that ferry is to be built and when it is to go

into operation, I trust that when the minister closes this debate he will give us some information on these expenditures which I understand total some $93 million.

Mr. Green: There is one matter I should like to mention to the minister, and that concerns the possibility of using the waterway for twelve months in the year. A huge amount of money is being spent to construct this waterway, and if some means could be found for keeping it open for twelve months instead of seven the value to Canada would be greatly increased. I am wondering whether the minister's department is doing any research into that problem, and is that possibility being kept in mind in planning for the waterway?

I was surprised to find in the *Engineering Journal* for June of this year an article entitled "The St. Lawrence Waterway, an All-Canadian and Very Deep Route." It is written by J. G. G. Kerry, M.E.I.C. who I understand is an outstanding engineer. As I read the article it suggests there is a possibility of keeping the waterway clear of ice.

Mr. Brooks: That would be the last straw.

Mr. Howe: Is my hon. friend trying to help the maritimes?

Mr. Green: This possibility arises from the fact that lake Ontario never freezes. The suggestion is that if the free water could be channelled from lake Ontario into the river it might be possible to keep the waterway open all winter. For example, this author has this to say:

> Such a supply of heat energy as is stored in the waters of lake Ontario during the winter months is almost unique. It is a great national asset that the engineers of Canada should not fail to use to the greater advantage of Canada.

Such a plan may or may not be sound, but it does seem to me that the objective is of such great value that the department would be wise not to ignore any suggestion of that type, and not to construct the waterway in such a way that it would be impossible to adopt some of these schemes. A year or two ago when we were interested in atomic energy, I understood that eventually that power might be used for dispensing with ice. I suppose it is many years in the future, but could the minister tell us whether his department has in mind the possibility of some such scheme that would eliminate ice in this waterway during the winter months?

Mr. Chevrier: The answer to that question is no. We in the department have no means or scheme whereby we can do away with ice. I am aware of the article to which my hon. friend refers, and so are the engineers in the department, but we know of no method whereby navigation can be kept open for twelve months in the year. We in the department know of no method whereby navigation can be kept open for a greater length of time than it is kept open. On the contrary, we are proceeding on the basis that it can be kept open for seven or eight months only, because we are continuing our program of icebreakers. I am not an engineer, and I am not in a position to depreciate or appreciate the article to which my hon. friend has referred. All I can say is that we in the Department of Transport know of no method whereby the St. Lawrence can be kept open for twelve months in the year.

Section agreed to.

On section 2—*Definitions.*

Mr. Green: I understand the St. Lawrence seaway authority is to be a crown corporation?

Mr. Chevrier: Yes.

Mr. Green: Of what type? How would it fit in with the other crown companies? To what type would it correspond?

Mr. Howe: The national harbours board.

Mr. Green: It is to be set up in a way similar to the national harbours board?

Mr. Chevrier: Yes.

Section agreed to.

Sections 3 to 9 inclusive agreed to.

On section 10—*Purposes.*

Mr. Drew: Why does the authority extend only to lake Erie? In all the discussions that have taken place there has been constant reference to the fact that this is one great waterway from salt water to the head of the lakes. I am anxious to know why this authority simply goes as far as lake Erie and does not include the St. Clair or Sault development.

Mr. Chevrier: Because there is already fairly deep navigation in the upper channels. There is a 25-foot depth for outbound navigation, and a 21-foot depth for upbound navigation. Over the years it has been the practice and custom for the United States to provide for the expenditure in that area. That is the reason it is not included here; and it is certainly not included in the expenditure that we propose under the authority.

Mr. Drew: This bill, of course, does not deal only with expenditure and construction; it deals with administration and supervision. It would have seemed to me appropriate that the administrative authority and the power of supervision should extend through the whole length of the waterway.

St. Lawrence Waterway

Mr. Chevrier: There is provision for adding to the authority additional canals and operations in the upper lakes, if that were required. It is not envisaged at the moment. That is all I meant to say. While the 1941 agreement envisaged, as my hon. friend probably had in mind, the whole channel from the head of the lakes to the port of Montreal, this bill does not do that. Obviously that would mean a greater expenditure.

Mr. Drew: That is what I had in mind. It is what I also had in mind when on an earlier occasion I referred to the fact that this is one integrated waterway and has been for some time, and that what is really being done is to bring the St. Lawrence part of it up to the standards that have already been created across the Niagara peninsula and in the upper waters. It does not seem to me the mere fact that the authority would include the whole of the waterways right through to the lakehead would add to the expense in any way; because after all, the supervision and administrative direction that would have to be exercised would be only such supervision and direction as the government felt desirable at any time over those upper areas.

Mr. Chevrier: Quite so. It would not add to the expense if we were to take over canals already in existence in that area. It would only do so if we were to deepen the channels to 27 feet.

Mr. Adamson: I gather from the minister that there is to be some expenditure on the Welland canal?

Mr. Chevrier: Yes.

Mr. Adamson: That is for deepening it from 25 feet to 27 feet is it?

Mr. Chevrier: No. It is already, at the sills, 30 feet in depth.

Mr. Adamson: That is what I thought.

Mr. Chevrier: It is for deepening the entrance and the exit to the Welland canal, which will run into about $1,200,000.

Mr. Adamson: No consideration has been given—or I suppose it has, but the decision has obviously been against it—to making all the canals 30 feet in depth?

Mr. Chevrier: No consideration has been given to that matter, because the expenditure would be tremendous.

Mr. Gillis: This clause is extremely important; it has to do with the purposes, capacities and powers of the authority. I think the clause restricts any development except in the area set out in the clause, namely between Montreal and lake Erie.

That makes the thing pretty much a central Canada development. When I was discussing this matter I had hoped that the authority would be broad enough to develop in any part of Canada any power or similar project that might be in the interests of Canada as a whole. This does not give the organization, when it is set up, any wide authority but restricts its activities to the area set out in this particular clause. I suggest to the minister that there are other developments which might be undertaken.

This bill has to do not only with the development of that waterway. It gives the authority the power to acquire lands for constructing, maintaining and operating all such works, and so on. What I had hoped—and I still hope the minister will think about it—is that once this authority is set up, it is going to develop in Canada power projects and industries, if necessary, in certain parts of the country. I should like to see this authority broad enough to give them power to look at, for example, the 'Quoddy project in New Brunswick. It is just as necessary to the province of New Brunswick, to the states of Maine and New Hampshire, and to that surrounding area as is this power project to the province of Ontario and the state of New York. It would not necessarily mean that we would have to go ahead and develop it overnight. But as we are embarking on a program of this kind, I think my suggestion might be adopted. It is government incentive in opening up and developing the country where there are potentialities and where risk capital cannot be found. I think that is in accordance with the government's program announced in 1945. It now looks to me as though the government were starting to implement it. Why should we restrict the development to the area to which it is restricted under this clause?

If the minister added just a couple of words I think it would be quite satisfactory to everyone. I suggest that it would be satisfactory if something were added to the effect that this authority had power to develop projects between the port of Montreal and lake Erie, and in any other area where a project might be in the best interests of Canada. I think those words would broaden the effect of the section, and would give them the right at least to continue the survey that is being made of the 'Quoddy project and the Saint John river project. As we are now setting up this kind of machinery, I think it should be broad enough to include the whole of Canada, where the authority may determine that a project is necessary and desirable and risk capital cannot be found for it, such as your power in Ontario and in the state of

New York. I do not think that is asking too much. I do not anticipate that it will be done overnight but at least it would give to the bill and to the authority the proper designation, that given it by the minister, namely that this is in the interests of Canada as a whole. While he said that, this clause restricts the authority you are setting up to the short section between Montreal and lake Erie. Will the minister consider adding the provision that, as to any other project that comes within the scope of this authority and that might be in the interests of Canada as a whole, they could take a look at it, at least?

Mr. Chevrier: Much as I should like to accede to the request of my hon. friend who is so co-operative, generally speaking, and who is being co-operative at this time, I have to say that this is a specific project. That is why the government felt that the authority should be set up in the form of a crown company, along the lines of a former crown company, to deal with two things, namely the construction of the waterway and the operation of the works. If there were to be an extension, where would you draw the line? I think I know what my hon. friend has in mind. He is thinking of something along the line of the T.V.A. in the United States. The government, unfortunately for him in this case, has decided that it should be a crown company in this sense; and I have no authority to amend the bill as he has suggested, nor could I do so at this juncture.

Section agreed to.

Sections 11 to 13 inclusive agreed to.

On section 14—*Management and operation of canals and works.*

Mr. Green: Will the minister explain what type of operation section 14 is intended to cover? It gives the authority power apart from the authority being given by the main portion of the bill.

Mr. Chevrier: This is to cover a case such as this, for instance. Let us assume that the Lachine canal is developed. It will authorize the seaway authority to take over the Lachine canal and operate it. Likewise it might authorize the seaway authority to take over other canals that are now operated by the Department of Transport, if it should be deemed necessary to do so.

Section agreed to.

On section 15—*Tariffs of tolls.*

Mr. Adamson: As this takes in the Welland canal as well I gather that it will be possible, under this authority, to charge tolls on the Welland canal?

Mr. Chevrier: Yes.

Mr. Green: As I read it, section 15 would empower the authority to charge tolls on the Welland canal, would it not?

Mr. Chevrier: Yes, but on the Welland canal only in so far as the cost is concerned. I indicated a moment ago that it would cost about $1,200,000. I have forgotten the figure I put on the record. Only as to that expenditure and the cost of the operation of the Welland canal is it the intention to charge tolls. I put on the record how the cost of amortization would be disposed of; and in so far as Welland is concerned, it would only be for the expenditure at Welland.

Mr. Green: Power contained in the section is broad enough to enable the levying of a regular toll in the Welland canal?

Mr. Chevrier: Oh, yes.

Mr. Drew: Does that conflict with any existing arrangements we have with the United States in regard to the use of that and other waterways?

Mr. Chevrier: No, it does not.

Mr. Black (Cumberland): It seems to me the government is determined to have this put through. They have had excellent co-operation. I do not think we have ever experienced such co-operation in this chamber before, but I might say a minimum of consideration. It is after ten o'clock, and I think we have done enough.

The Chairman: Shall the clause carry?

Some hon. Members: No.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up the following items: The debate on the address; Bill No. 33, to establish the St. Lawrence seaway authority; Bill No. 34, respecting construction of works for the generation of electric power in the international rapids section of the St. Lawrence river; then the three resolutions: one, to amend the Dominion Elections Act; two, the resolution respecting the national gallery and three, to amend the Civil Service Act. Then, if we have time, we shall take up Bill No. 17 to amend the Canadian Broadcasting Act, 1936, and Bill No. 8, to amend the North Fraser Harbour Commissioners Act.

At 10.05 o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Wednesday, December 12, 1951

The house met at eleven o'clock.

PRIVILEGE

REFERENCE TO REPORT IN TORONTO "TELEGRAM" OF DECEMBER 11

Mr. Roland Beaudry (St. James): Mr. Speaker, on a question of privilege, just before entering the chamber someone brought to my attention a news item in the Toronto *Telegram,* of yesterday's date I believe, in which it is stated that I am a rebel in the Liberal party—

Some hon. Members: Hear, hear.

Mr. Beaudry: —and that I intend to move non-confidence in the government.

I am not and I don't.

INDUSTRIAL RELATIONS

Third report of standing committee on industrial relations.—Mr. Macdonald (Edmonton East).

QUESTIONS

MING SUNG INDUSTRIAL COMPANY

Mr. Diefenbaker:

1. Was the undertaking given by Mr. W. C. Clark, deputy minister of finance, on behalf of the Minister of Finance, to the Ming Sung Industrial Company of Canada Limited (as set out in the letter which appeared in sessional paper 167, November 16, 1951), carried out?

2, Did the Ming Sung Industrial Company of Canada Limited make payment of income tax in excess of the sum of $100 annually, in each or either of the years 1949-50 and 1950-51?

Mr. Sinclair:

1 and 2. The undertaking given by the deputy minister on behalf of the Minister of Finance has not been carried out. The question of tax liability of the company under the Income Tax Act has not been finally determined.

NEWFOUNDLAND—LOANS THROUGH CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Browne (St. John's West):

1. Has any assistance been given by way of loans through Central Mortgage and Housing Corporation to persons or communities in the province of Newfoundland, outside of the city of St. John's?

2. If so, what is the amount of the loan or loans which have been made in each case?

Mr. Winters:

1. Yes. Of a total of 49 loans to home owners or builders, 46 were made jointly with lending institutions and 3 were made directly by Central Mortgage and Housing Corporation pursuant to section 31A of the National Housing Act, 1944.

2. From June 1, 1949, to November 30, 1951, in the amounts as follows:

1949: $8,400; $6,000; $8,600; $7,500; $5,000; $6,100; $5,700; $6,440; $5,900; $5,700; $8,300; $6,500; $6,700; $6,100.

1950: $5,400; $6,500; $6,040; $6,000; $5,500; $7,920; $5,500; $7,920; $8,680; $7,040; $6,440; $6,600; $6,000; $7,400; $7,660; $8,000; $8,500; $7,980; *$8,000; *$4,000.

1951: $8,500; $5,740; $6,560; $7,500; $7,360; $7,000; *$8,000; $6,760; $5,800; $7,000; $6,000; $7,500; $6,700; $5,600; 8,500.

*Direct loans.

NICOLET, QUE., POSTMASTER

Mr. Courtemanche:

1. Was a postmaster at Nicolet, Quebec, appointed during the years 1949 or 1950?

2. If so, upon whose recommendation?

3. Has such appointee been suspended or discharged?

4. If so, for what reasons?

Mr. Rinfret:

1. Yes.

2. As a result of a competition held by the civil service commission.

3 and 4. Because a shortage in post office funds at this office has been discovered, for which the postmaster is being held generally accountable, he has been relieved of duty until investigation has been completed.

NAVAL STORES AND SUPPLY—NAVAL PERSONNEL

Mr. Balcom:

1. How many naval officers and naval personnel are presently employed in the operation of naval stores or naval supply at Halifax?

2. Is the department to have the administrative positions in naval stores or naval supply filled by naval personnel rather than by civil servants?

3. Has consideration been given to ensure continuity in these important administrative positions?

Mr. Campney:

1. Three officers and twenty-one other ranks.

2. The senior civil administrative officer of supply is the superintendent of stores, and comes under the naval officer-in-charge.

Under the superintendent are civilians heading the various supply subsections. No change in this set-up is contemplated.

3. Yes.

NEWFOUNDLAND—ESTABLISHMENT OF INDUSTRIES

Mr. Brooks:

1. What is the location of each of the industries recently established in the province of Newfoundland by foreign countries?
2. What is the amount of capital invested in each case?

Mr. McIlraith: No official information on file.

COMBINES LEGISLATION COMMITTEE—ENGAGEMENT OF COUNSEL

Mr. Hodgson:

1. Have counsel been engaged by the government in connection with the joint committee of the Senate and the House of Commons on combines legislation?
2. If so, what are the names of counsel so engaged and what are they to be paid by way of (a) fees; (b) expenses?
3. How much have they received to date?

He said: I have received the information so this question can be dropped.

Mr. Speaker: Dropped.

NAVAL STORES AND SUPPLY—CIVIL SERVICE PERSONNEL

Mr. Balcom:

In view of the administrative changes in naval stores or naval supply at the Halifax dockyard, what is now the highest position a civil servant may expect to attain in these departments?

Mr. Campney: Administrative officer, grade 3.

ARMED FORCES—OFFICERS OF FRENCH AND OTHER ORIGIN

Mr. Lafontaine:

How many officers are there now in the Royal Canadian Navy, the Canadian Army, and the Royal Canadian Air Force, active forces, who were in the services in 1939, who are (a) of French origin; (b) of other origin?

Mr. Campney: (a) 24; (b) 366.

ARMED FORCES—OFFICERS OF FRENCH ORIGIN IN VARIOUS YEARS

Mr. Lafontaine:

How many officers of French origin were in the active forces of the three services (a) in 1939; (b) in 1947; (c) in October, 1951?

Mr. Campney: (a) 71; (b) 406; (c) 820.

[Mr. Campney.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

INDIAN SCHOOLS—SANITARY EQUIPMENT

Mr. Lennard:

1. How many tenders have been accepted for the installation of sanitary equipment in Indian schools during the past three years?
2. What was the amount of each tender, and by whom was it filled?

Mr. Harris (Grey-Bruce): Return tabled.

TRANSLATORS OF HOUSE OF COMMONS DEBATES

Mr. Pouliot:

What are the names of the translators, male or female, who made the translation of each of the pages 859 to 861, 994 to 998, 1080 to 1085, 1302 and 1303 of the English text of the unrevised edition of the official report of the House of Commons debates for the present session?

MOTION FOR PAPERS

MR. R. G. PEERS

Mr. Hodgson:

For a copy of all correspondence exchanged between Mr. R. G. Peers and the government of Canada or any department or agency thereof since January 1, 1946.

NORTH ATLANTIC TREATY ORGANIZATION

INQUIRY AS TO PRESS REPORT OF INCREASE IN CANADA'S REARMAMENT PROGRAM

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of National Defence. Can he give the house any information regarding reports in the newspapers this morning that Canada, among other nations, is to be asked to increase her rearmament program by 5 to 10 per cent? If so, what has become of article 2 of the North Atlantic treaty?

Hon. Brooke Claxton (Minister of National Defence): The representative of Canada on the temporary council committee which has been meeting in Paris is the Minister of Finance. I would be glad if he would answer the question.

Hon. Douglas Abbott (Minister of Finance): I saw the press reference. In reply to the question may I say that the committee is meeting on Friday to consider its draft report. I have no reason to believe that it will recommend an increase in Canada's military efforts.

CIGARETTES

DISPOSAL OF SEIZED U.S. CIGARETTES

On the orders of the day:

Mr. R. E. Anderson (Norfolk): Mr. Speaker, I should like to direct to the Minister of National Revenue two questions of which I

have given notice. What is being done with the large quantities of United States cigarettes that are being seized by customs officials and the Royal Canadian Mounted Police? Are they being allowed to displace Canadian cigarettes for sale in Canada?

Hon. J. J. McCann (Minister of National Revenue): I thank the hon. gentleman for having given me notice of his questions. Cigarettes that are seized are first put in what is known as the king's warehouse. They are afterward distributed to veteran hospitals throughout the country. The practice formerly followed was to destroy such cigarettes. This distribution is made by officials of the Department of National Revenue, customs and excise branch, who in practically all instances are veterans. They visit the hospitals and make a personal distribution.

The hon. member asked also whether the cigarettes are allowed to displace Canadian-made cigarettes for sale in Canada. The broad answer to that would be "no". They do not enter into competition except in so far as the recipients in veterans hospitals would probably buy Canadian made cigarettes if they did not get the ones which have been seized. They are not in competition with them on the open market.

FISHERIES

TARIFF ON CANADIAN FISH TO U.S.A.—APPLICATION FOR INCREASE

On the orders of the day:

Mr. T. A. M. Kirk (Digby-Yarmouth): Is the Minister of Fisheries in a position to give the house any information on the recent hearings before the United States tariff commission, Washington, D.C., concerning an application by certain New England groups to increase the tariff on fish entering the United States from Canada?

Hon. R. W. Mayhew (Minister of Fisheries): The United States tariff commission has completed its hearings on this subject. Our own industry presented a brief through Mr. Clarence Morrow of Lunenburg. While the hearings have been completed investigations will be continued for some time by the tariff officials and they will consider any submissions made by United States and Canadian officials.

AGREEMENT WITH NORWAY ON SEAL FISHING SEASON

On the orders of the day:

Mr. W. J. Browne (St. John's West): Have any steps been taken to reach an agreement with Norway as to the date when the killing of seals will commence so that both countries may derive the most benefit from the seal fishing?

Hon. R. W. Mayhew (Minister of Fisheries): On several occasions Canada has discussed with Norway the matter of killing seals and has also conducted an inquiry with sealing companies in Newfoundland and along the maritime coast. Agreement has been reached and Canada is now prepared to enter into direct negotiations with Norway. We expect that will be done within the next two or three weeks.

RADIOTELEPHONES

REPORTED INSTALLATION IN NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to address a question to the Minister of Transport arising out of question No. 8 standing on the order paper in my name. It has been reported over the radio in St. John's that radiotelephones will be installed in the spring and I should like to ask if that is official.

Hon. Lionel Chevrier (Minister of Transport): I am not aware of that and I did not hear the radio broadcast the hon. member has referred to. Since the question is on the order paper I shall try to see that it is answered as quickly as possible.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, December 10, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment, as amended, of Mr. Argue, and the amendment to the amendment, as amended, of Mr. Diefenbaker.

Mr. W. J. Browne (St. John's West): Mr. Speaker, on the last evening of this debate when I was speaking I was about to read from United States fishery products report No. 224, to be found in the bulletin of the fisheries council of Canada of November 30, 1951. This reads:

> The outlook for increased fish production appears to be promising, for the FAO study reports that many countries are adding, or planning to add, mechanized craft to the fishing fleets to fish in areas farther from port and save on travel time. Moreover, the report adds, improvements in fishing gear and equipment are being made in many underdeveloped as well as developed countries.

I am aware that at the present time a joint committee is sitting in Newfoundland under the chairmanship of Chief Justice Sir Albert Walsh, a man who knows the customs of the

country and who for several years was a member of the commission of government. The fishermen of Newfoundland will be looking forward to the contents of this report when it appears, but I do want to point out to the Minister of Fisheries (Mr. Mayhew) that if our interest in the fisheries is allowed to lag, and if we allow our fisheries to decline, as appears to be the policy of the provincial government, other nations more vigorous than ours will step in and take our rightful place as the greatest fishing country in the world.

Today is the fiftieth anniversary of the reception by Marconi, the inventor of wireless telegraphy, of the first transatlantic message. Fifty years ago in Cabot tower on Signal hill, above the narrows of St. John's harbour, a copper wire suspended from a kite picked up a signal transmitted from Cornwall, thus justifying the confidence of Marconi in his discovery and inventions. The untold benefits mankind has derived as other scientists have improved upon Marconi's invention justify our grateful commemoration of the astonishing event that occurred just half a century ago.

I have only one other thing to say and that is to compliment the hon. member for Broadview (Mr. Hees) upon the solicitude that he showed the other day when he referred to the Canadian sisters who have been victims of the Chinese communists. I should like to draw to the attention of the house an article that appeared in *La Presse* yesterday, which reads:

(Translation):

Persecutions have cut down by two-thirds the number of missionaries in China.

As a result of the efforts of Chinese communists to drive the Catholic church out of China, the number of missionaries has fallen from 5,000 to 1,879. Every day, other missionaries are being expelled, or jailed prior to deportation. Most Protestant missionaries, never as numerous as Catholic missionaries, have left China. It is not known how many have remained.

According to the last survey, there were 142 foreign Catholic missionaries in the prisons of China and there are probably twice that number being kept under close watch in their homes.

Among Catholic missionaries jailed by the communists, are the following Canadians:

Mgr. Cuthbert O'Gara, of Ottawa; Rev. Arsène Mullin, O.F.M., of Montreal; Rev. Didace Arcand, O.F.M., of Three Rivers . . .

. . . and many other priests and nuns from Canada.

(Text):

I should like also to refer to an article which appeared in *The Sign* of November, 1951, which reads:

Countless martyrs have shed their blood. Today it is "dry martyrdom." A long slow process calculated to reach into a man's inmost being and dry up all spirit of resistance or desire to acknowledge anything but what is forced upon him. A slow but definitely effective process the horrors of which are beyond the imagination of those who have not fallen victims, a deadly inhuman diabolic process that reached its almost perfect form in the Mindszenty case.

Hunan—

A province in China.

—is now the training ground for this modern Soviet type of oppression and destruction. Bishop O'Gara—

Who is well known in Ottawa.

—is in prison, his priests under constant threat, his diocese in the hands of renegades, his faithful dreading each moment of the day and night. God be with them.

How can we feel happy when these people are facing martyrdom? All Canadians have a right to expect that their government will do everything possible to protect their lives and bring about the release of these heroic men and women.

Mr. Rodney Adamson (York West): I do not wish to prolong this debate an instant longer than is absolutely necessary, but I wish to refer once again to the remarks the Prime Minister (Mr. St. Laurent) made in this house concerning cases of dismissal for security reasons. I still believe, Mr. Speaker, that some machinery must be set up whereby a man who is considered a poor security risk has the opportunity of hearing the case against him. I do not believe that this requires any breach of security, and I am convinced that it can be done without in any way disclosing the necessarily secret methods employed by the security forces of the country. Notwithstanding the genuine feelings of the Prime Minister concerning these cases, and the fears of allowing security material to be compromised, I feel that we in this house, as the custodians of the freedom of the individual, cannot permit these dismissals to continue without recourse to any appeal.

I thank the Prime Minister for the objective way in which he dealt with my submissions in this case. I feel that the present system is unsatisfactory, and I do suggest that it is dangerous to the genuine security and freedom of this peace-loving country.

Mr. Robert Fair (Battle River): I shall not take more than about two minutes of the time of the house, and then we shall be ready for the vote. One week ago I found it necessary to bring to the attention of the house certain complaints coming from the residents of Ottawa in connection with the practice of using tea bags in certain restaurants on more than one occasion. On Thursday I received a telegram from the president of the tea bureau in Toronto advising me of his displeasure over the complaint and stating a representative would come to Ottawa to make an investigation. I believe that the representa-

tive visited Ottawa on Friday and made an investigation. The result of the investigation, which appeared in the press yesterday and this morning, is to the effect that no tea bag tricks are being practised in Ottawa.

I believe that the officials of the tea bureau are not fooling the citizens of Ottawa in sending out a report of that kind. First of all, it must be realized that anyone practising these tea bag tricks would not admit to anyone that such was the case. They are not pulling the wool over the eyes of these victims of the tea bag tricks. I am not retracting one word of the complaint I made a week ago. In fact my position has been strengthened by the fact that since that time people have voluntarily told me that they have also had that trick pulled on them. The practice is injurious to the health of the people in this and other cities, and I feel that the publicity that has been given to it will prevent offenders from continuing the practice.

Mr. Speaker: Is it the pleasure of the house to adopt the motion? Does the amendment carry?

Mr. Knowles: The question is on the subamendment.

Mr. Speaker: The motion before the house is on the amendment to the amendment as amended. Is it the pleasure of the house to carry it?

Mr. Drew: Mr. Speaker, there seems to be some confusion as to what we are asked to vote upon at this stage.

Mr. Speaker: I shall attempt to make it clear. There was an amendment moved by Mr. Argue to the main motion, to which Mr. Bater moved a subamendment which was carried. Then the hon. member for Lake Centre (Mr. Diefenbaker) moved an amendment to the amendment as amended. The question now is on the motion of the hon. member for Lake Centre.

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

YEAS

Messrs:

Adamson	Ferguson
Argue	Fleming
Black (Cumberland)	Fraser
Blackmore	Gillis
Blair	Green
Brooks	Hansell
Bryce	Harkness
Cardiff	Hees
Casselman	Herridge
Churchill	Hodgson
Coldwell	Jones
Coyle	Knight
Dinsdale	Knowles
Drew	Lennard
Fair	Low
Fairclough, Mrs.	Macdonnell (Greenwood)
MacInnis	Poulin
MacLean (Queens)	Quelch
McGregor	Ross (Souris)
McLure	Tustin
Meeker	Wright
Noseworthy	Wylie—45.
Nowlan	

NAYS

Messrs:

Abbott	Henry
Anderson	Hetland
Applewhaite	Hosking
Ashbourne	Howe
Balcom	Hunter
Bater	James
Beaudry	Jeffery
Benidickson	Jutras
Black (Chateauguay-Huntingdon-Laprairie)	Kickham
Boisvert	Kirk (Antigonish-Guysborough)
Boivin	Kirk (Digby-Yarmouth)
Bonnier	Lafontaine
Boucher	Laing
Bradette	Leduc
Breithaupt	Lefrancois
Breton	Lesage
Brown (Essex West)	Little
Bruneau	Macdonald (Edmonton East)
Cameron	MacLean (Cape Breton North and Victoria)
Campney	MacNaught
Cannon	Macnaughton
Carroll	McCann
Carter	McCulloch
Cavers	McCusker
Chevrier	McIlraith
Claxton	McIvor
Cloutier	McLean (Huron-Perth)
Conacher	McMillan
Corry	McWilliam
Cote (Matapedia-Matane)	Major
Cote (Verdun-La Salle)	Maltais
Cournoyer	Martin
Crestohl	Masse
Croll	Mayhew
Darroch	Murray (Oxford)
Dechene	Picard
Decore	Power
Dickey	Prudham
Dion	Ratelle
Dumas	Richard (Ottawa East)
Eudes	Riley
Eyre	Rinfret
Ferrie	Roberge
Follwell	Robertson
Fournier (Hull)	Rooney
Fournier (Maisonneuve-Rosemont)	Rousseau
Fulford	St. Laurent
Gardiner	Sinclair
Garland	Sinnott
Garson	Smith (Queens-Shelburne)
Gauthier (Lake St. John)	Stick
Gauthier (Portneuf)	Stuart (Charlotte)
Gauthier (Sudbury)	Studer
George	Tremblay
Gingras	Viau
Gingues	Ward
Goode	Warren
Gourd (Chapleau)	Weaver
Gregg	Welbourn
Harris (Grey-Bruce)	Whiteside
Harrison	Winkler
Healy	Winters
Hellyer	Wood—128.
Helme	
Henderson	

Mr. Pouliot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted against the sub-amendment.

Mr. Cleaver: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted, I would have voted against the amendment to the amendment.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted against the amendment.

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I voted, I would have voted in favour of the amendment.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted in favour of the amendment to the amendment, as amended.

Mr. Graydon: I was paired with the Secretary of State for External Affairs (Mr. Pearson). Had I voted, I would have voted for the motion of the hon. member for Lake Centre (Mr. Diefenbaker) as put by Mr. Speaker, but on the order paper it is described as "the amendment to the amendment, as amended, of Mr. Diefenbaker".

Mr. Huffman: I was paired with the hon. member for Haldimand (Mr. Catherwood). Had I voted, I would have voted against the amendment to the amendment.

Mr. Speaker: The question is now on Mr. Argue's amendment as amended by Mr. Bater. Those in favour of the motion will say yea.

Some hon. Members: Yea.

Mr. Speaker: Probably the house would not wish me to call in the members.

Some hon. Members: Yes.

Mr. Speaker: Does Mr. Bater's motion carry?

Mr. Ross (Souris): No.

Mr. Speaker: I shall put the yeas and the nays.

Mr. Coldwell: That is better.

Mr. Speaker: Those in favour of Mr. Bater's motion will say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will say nay.

Some hon. Members: Nay.

Mr. Speaker: Does the house wish me to call in the members?

[Mr. Speaker.]

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

Mr. Cauchon moved, seconded by Mr. Simmons:

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

To His Excellency Field Marshal The Right Honourable the Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Governor General and Commander in Chief of Canada.

May it Please Your Excellency:

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

Mr. Argue, seconded by Mr. Wright, moved an amendment to that motion; and subsequently Mr. Bater moved an amendment to Mr. Argue's amendment, which was carried.

Mr. Bater's amendment is that the following words be added:

This house regrets the serious difficulties encountered by the western farmers in harvesting their crops, and commends Your Excellency's advisers for the continuing attention they have given to the problems caused thereby, and is confident that effective measures will continue to be taken to help the farmers in meeting these problems.

The question is now on Mr. Argue's amendment as amended by Mr. Bater.

The house divided on the amendment (Mr. Argue) as amended by Mr. Bater which was agreed to on the following division:

YEAS

Messrs:

Abbott	Chevrier
Anderson	Claxton
Applewhaite	Cloutier
Ashbourne	Conacher
Balcom	Corry
Bater	Cote (Matapedia-Matane)
Beaudry	Cote (Verdun-La Salle)
Benidickson	Cournoyer
Black (Chateauguay-Huntingdon-Laprairie)	Crestohl
Boisvert	Croll
Boivin	Darroch
Bonnier	Dechene
Boucher	Decore
Bradette	Dickey
Breithaupt	Dion
Breton	Dumas
Brown (Essex West)	Eudes
Bruneau	Eyre
Cameron	Ferrie
Campney	Follwell
Cannon	Fournier (Hull)
Carroll	Fournier (Maisonneuve-Rosemont)
Carter	Fulford
Cavers	Gardiner

Garland	McIvor
Garson	McLean (Huron-Perth)
Gauthier (Lake St. John)	McMillan
Gauthier (Portneuf)	McWilliam
Gauthier (Sudbury)	Major
George	Maltais
Gingras	Martin
Gingues	Masse
Goode	Mayhew
Gour (Russell)	Monette
Gourd (Chapleau)	Murray (Oxford)
Gregg	Nixon
Harris (Grey-Bruce)	Picard
Harrison	Power
Healy	Prudham
Hellyer	Ratelle
Helme	Richard (Ottawa East)
Henderson	Richard (St. Maurice-Lafleche)
Henry	Riley
Hetland	Rinfret
Hosking	Roberge
Howe	Robertson
Hunter	Rooney
James	Rousseau
Jeffery	St. Laurent
Jutras	Sinclair
Kickham	Sinnott
Kirk (Antigonish-Guysborough)	Smith (Queens-Shelburne)
Kirk (Digby-Yarmouth)	Stick
Lafontaine	Stuart (Charlotte)
Laing	Studer
Leduc	Tremblay
Lefrançois	Valois
Lesage	Viau
Little	Ward
Macdonald (Edmonton East)	Warren
MacLean (Cape Breton North and Victoria)	Weaver
MacNaught	Welbourn
Macnaughton	Whiteside
McCann	Whitman
McCulloch	Winkler
McCusker	Winters
McIlraith	Wood—134.

NAYS

Messrs:

Adamson	Hees
Argue	Herridge
Black (Cumberland)	Hodgson
Blackmore	Jones
Blair	Knight
Brooks	Knowles
Bryce	Lennard
Cardiff	Low
Casselman	Macdonnell (Greenwood)
Churchill	MacInnis
Coldwell	MacLean (Queens)
Coyle	McGregor
Dinsdale	McLure
Drew	Meeker
Fair	Murphy
Fairclough, Mrs.	Noseworthy
Ferguson	Nowlan
Fleming	Quelch
Fraser	Ross (Souris)
Gillis	Tustin
Green	Wright
Hansell	Wylie—45.
Harkness	

Mr. Speaker: I declare the amendment as amended carried.

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I not been paired I am not quite sure how I would have voted, because I rather fancy that the motion—

Some hon. Members: Oh, oh.

An hon. Member: Speech.

Mr. Fulton: —was out of order.

Mr. Cleaver: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I would have voted for the amendment as amended.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted for Mr. Bater's amendment.

Mr. Graydon: I was paired with the Secretary of State for External Affairs (Mr. Pearson). Had I voted I would have voted against the amendment as amended.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted I would have voted against the government.

Mr. Huffman: I was paired with the hon. member for Haldimand (Mr. Catherwood). Had I voted I would have voted for the amendment as amended.

Mr. Speaker: The question is now on the main motion.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I do not wish to delay the final disposition of this subject but I have one observation to make about the rather anomalous action that the house has just taken. If the Prime Minister (Mr. St. Laurent) was right when he spoke in the house on October 15, what the house has just done is to express its lack of confidence in the government because when the Prime Minister spoke in this debate on October 15, as found at page page 33 of *Hansard*, in speaking of the observations of the leader of the opposition (Mr. Drew) with reference to the amendment introduced by the leader of the opposition he pointed out that if the amendment was not a motion of non-confidence it probably was not in order at that time.

Having regard to constitutional practice in these matters, which was so effectively reviewed by the hon. member for Lake Centre (Mr. Diefenbaker) when he spoke on December 10, it is quite apparent that since 1899 no government member has ever moved an amendment on a resolution proposing that an address be presented to His Excellency.

An hon. Member: We are progressive.

Mr. Fleming: That practice has been followed in the United Kingdom certainly

since 1894. Therefore in the light of constitutional practice what the majority of the house has just done in supporting this amendment is to express want of confidence in the government. I presume therefore the government has no alternative but to resign.

Mr. J. W. Noseworthy (York South): Mr. Speaker, while the government is trying to make up its mind whether it should carry out the suggestion and accept the vote as one of want of confidence, there is another matter that I want to bring to the attention of the house. I am quite sure that members on the opposition side of the house will appreciate the fact that during the present session, with no budget and no estimates, the throne speech is the one opportunity when members may deal with subjects of general interest to the country. I am confident that members on the Liberal side of the house, since they were quite ready to spend almost an entire day debating a meaningless amendment to the amendment so that Liberals would not find it inconvenient to vote against the amendment, will bear with me for a few moments on this question. I want to discuss a statement made by the Minister of National Health and Welfare (Mr. Martin) when speaking to the house on October 25. At that time he was introducing the resolution preceding the old age security bill, and at page 381 of *Hansard* he said:

> As my colleagues and I have so frequently emphasized in the years since 1945, the broad social objectives then outlined by the federal government have constantly remained in the forefront of its thinking and planning.

I want to bring to the attention of the house what some of these broad social objectives were which were proposed by the government in 1945. One of great interest to the country was a nationally based and nation-wide social security program which included among other things social and health insurance together with hospitalization. I want to quote—and I shall not be long—from the proposals made in 1945. At page 28 there is the following:

> Although great progress has been made in Canada during the first half of this century, there still remains a tremendous job to be done in improving the national health and in extending the benefits of modern science and medical care to all parts of the nation and all sections of the population.

Then I want to read another quotation from page 28. This is the Liberal government speaking in 1945. It reads:

> Under our present system, for the man who can afford to pay, the cost of ill health falls at the very moment when his earning capacity is cut off. The cost of treatment and cure for the individual who cannot afford to pay is borne to a considerable degree through the benefactions of well to do members of the community and the generosity of doctors who give so freely of their time and skill, and more and more by the provincial governments and municipalities. In spite of these efforts desirable treatment is still not obtained in many cases. While much of the cost of illness is thus hidden, it can only come out of the total productive capacity of the country. The advantages of a broader provision of health services on a more equitable basis are obvious.

That was in the year 1945. Then there is another choice statement, and I quote it because the spokesmen for the government who prepared these proposals put the sentiments I want to express today in words that are as good as any that I could use. They said:

> To remove disparities in standards of health services in different parts of Canada, to avoid the risks of sudden heavy expenditures, and distribute health costs more widely and equitably, and above all to obtain the benefits of better health for the great majority of our people, these are the objects of the proposals which the federal government is now making with respect to health insurance for all, and increased public health services assisted by federal grants.

The government, or at least the Liberal party, has apparently been interested in health insurance for a long time. We find that health insurance first found itself in the election manifesto of the Liberal party back in 1919, only thirty-two years ago. I suppose thirty-two years is not much in the lifetime of a political party and possibly the Liberals consider that thirty-two years is really not sufficient time for them to begin to implement their election manifesto promises.

We are now in 1951, thirty-two years since the Liberals first adopted the principle of health insurance as an election program, as an election promise. We are back now, probably not to where we were thirty-two years ago but certainly to where we were in 1941 or 1942. The government went much further than to just offer these pious proposals for health insurance; in 1945 the government actually spelled out these proposals and gave them to us in considerable detail. On page 29 of their proposals they stated:

> Health insurance has been widely adopted because it is regarded as the best means of meeting and of distributing fairly the costs of illness and, in conjunction with preventive services, of improving the general health of the nation. Specifically:
>
> (1) Health insurance enables the cost of illness to be prepaid, so that by paying regular sums when they are well people are able to meet the costs of illness when they are ill without being financially crippled.
>
> (2) Health insurance not only enables individuals to prepay their medical costs, but does this in such a way as to secure a wide pooling of risks and distribution of costs in much the same manner as any other form of insurance.
>
> (3) The provision of funds by all persons within a large area makes it possible for hospital and medical services to people in that area to be planned and administered more efficiently and economically than could be done by any other method.

(4) The provision of better facilities for treatment and advice also operates to reduce the total incidence of disease and preventable death. Health insurance must be accompanied by adequate public health measures of a preventive character, but health insurance itself also provides important preventive benefits.

(5) Health insurance permits the steady extension of health services into areas not previously covered, and the rapid application everywhere of new methods and services as they are discovered and developed.

In that language the government set forth back in 1945 most definitely its proposal of a health insurance program. Prior to 1945 they had done some spade work. In 1941 the then minister of pensions and national health had called a meeting of health authorities and persons interested in public welfare. It will be noted that that meeting was called only twenty-two years after the Liberals first adopted health insurance into the election manifesto. In twenty-two years' time they managed to get around to the point where the minister was calling a meeting.

In 1942 the government appointed an advisory committee on this matter. In 1943 a House of Commons committee was set up, and in that year the advisory committee reported to the House of Commons committee and presented a draft bill in which all the details were worked out. I recall the election which followed the presentation of that draft bill. It was pretty generally understood throughout the country that all that was needed to have that bill become legislation was to elect the Liberal party. That was the general appeal made by the Liberal party in that year. In 1944 a conference was called at Ottawa of representatives of all the provinces. Various views were put forth, and in that connection the proposals were as follows:

In May, 1944, a conference was held at Ottawa which was attended by representatives of all the provinces. The discussion principally turned on the estimated cost of the services contemplated under the draft health insurance bill and on the manner of meeting this cost. Views were put forward by several provinces which appeared to have the support of most if not all of the provinces. These indicated their strong desire that health insurance should be proceeded with by stages and that any scheme adopted should be flexible enough to permit the provinces to build on the varying services in each province.

In the throne speeches of 1944 and 1945 health insurance was included as part of the Liberal policy. That was one of the objectives that the Liberal party held out to the Canadian public just on the eve of the 1945 elections. Four definite proposals on the subject of health insurance were set out by the government in 1945. The scheme was to include a grant for planning and organization; it was to include health insurance; it was to include health grants; and it was to include federal assistance in the construction of hospitals. The proposed federal contribution was as follows:

(i) a basic grant of one-fifth of the estimated cost of each service as shown on the table which follows as from time to time revised by agreement, and

(ii) one-half the additional actual cost incurred by each provincial government of providing each benefit, provided that the total federal contribution does not exceed the amount stated in the table for each service, or maximum of $12.96 per person, when the complete program is in operation.

That was the financial basis upon which the program was to progress. Among other help that was to be granted, I am particularly interested in the reference to financial assistance in the construction of hospitals. The proposal stated:

To make a hospital extension program less burdensome to the provincial governments and to local communities, it is proposed that the federal government should provide loans to the provincial governments entering health insurance agreements, and through provincial governments to municipalities and other organizations, for necessary expansion of hospital facilities, at a rate of interest equal to or only slightly above the cost of such loans to the dominion. . .

That was to be one of the ways in which the government was to make its contribution towards the building of hospitals. There were to be loans from the government, and there were to be the basic amounts for health insurance grants for various types of assistance. We are now in 1951, and where are we with health insurance? We are back in 1942 or a little farther back than 1942. In 1942 we did have a committee, but in 1951 we have only the promise of a committee which is to be set up at the next session. Apparently the government's policy concerning this matter underwent a change in 1948, and Mr. King's announcement of the new policy on May 14 included no provision whatever for health insurance. Since then there has been no indication that the government is seriously considering the implementation of that 32-year-old promise to the Canadian people.

There can be no reasonable argument for delaying the implementation of that program. The government cannot say that these proposals were made, and were subject to agreement with the provinces. It was clearly set out that these proposals were flexible, and that any province could enter into an agreement to put into effect any part of this program that it was felt it could do at that time. The proposals were flexible enough to permit any province that wanted to institute health insurance to enter into an agreement with the federal government whereby it would get the federal aid set out

in these proposals for the implementation of health insurance. Other countries, probably less fortunate than Canada, have instituted health insurance since 1945.

I should like to read briefly from an editorial which appeared in the Toronto *Daily Star* under date of December 8, 1951. I am quite sure that Liberals will listen to any editorial appearing in a paper which is so devoted to the Liberal party and the Liberal cause.

Mr. Martin: It shows good judgment.

Mr. Noseworthy: The *Star* mentions an address made by Dr. Fraser Brockington of Manchester university on the subject of health insurance and social medicine. In summarizing that address the *Star* has this to say:

> The British national health scheme is in the third year of its operation.

In other words, Great Britain, with all her handicaps, with the aftermath of war and all her financial problems since 1945, has been able to institute an over-all health insurance program similar to that which this government proposed in 1945, but which we in Canada have not been able to implement. The editorial continues:

> It has already reduced the backlog of neglected health among a large portion of the population, and improved the efficiency of hospitals and other facilities. It has made possible for people in outlying areas to obtain the services of specialists where they were not easily available before. The nursing supply has been increased, as well as hospital beds. Maternity and child welfare services, home nursing and domestic aid have been extended. A national deafness service is a new addition through which hearing aids are being provided at the rate of 6,000 a month, most of them to elderly people who could not afford them in the past.
>
> Perhaps the most important benefit of the national health service is psychological. It has removed from the entire population the fear of sickness. It has eliminated the financial barrier to medical care. The service is especially appreciated by the middle classes, individuals and families whose income ranges between $2,000 and $5,000 a year. To these groups, sickness often brings calamitous burdens of debt. The health service guarantees protection to them and many others. No one in Britain now becomes shackled by debts for surgical operation, childbirth or hospitalization for a long, chronic ailment.

Then, this is interesting:

> The British national health service is mostly financed by general taxation. About a ninth of the cost is covered by contributions from employees and employers. An employed man (single or married) pays about 10 cents a week; a woman pays 7½ cents and an employer 1·8 cents. They contribute also as direct or indirect taxpayers. And everyone, without distinction on any ground, is entitled to whatever medical or hospital services are required for cure and prevention of sickness.

There is one other point brought out in this editorial that is interesting to Canadians in general. Dr. Brockington refers to the British national health service as social medicine. He says:

> —it is "social medicine," in that all essential health facilities are being extended to everyone on a co-operative basis, with due respect to the rights of those who give and those who receive the service. Doctors, dentists, pharmacists, etc., are not salaried employees of the state . . .

I wanted to point out that Great Britain, with all the difficulties, turmoil and aftermath of the war, was able to embark upon a social and health insurance program such as outlined there. We in this country are under a Liberal government that professes to believe in such a program, that has been promising such a program to the Canadian people for over thirty years, and that at one time reached the point of having a draft bill ready, which bill was held out to the Canadian public at election time when the appeal was made that all that was necessary to have the bill placed on the statute books was the election of the Liberal party. I might add that in recent months the Liberals in Ontario particularly have appeared to be quite interested in health insurance and hospitalization. Some cabinet ministers from this government went into Ontario in support of that program during the campaign. Did the minister say no?

Mr. Martin: I was looking to the right.

Mr. Noseworthy: As I recall the matter, if my memory serves me correctly, the Minister of National Health and Welfare (Mr. Martin) was reported in the press as having spoken, probably by coincidence at that time.

Mr. Martin: Just so that the record will be clear, but not that this is important, may I say that the Minister of National Health and Welfare made no speech whatsoever in the provincial election campaign.

Mr. Noseworthy: No speech in Ontario during the provincial election?

Mr. Martin: I said that I made no speech whatsoever during the provincial election and in connection with the provincial election. I made a statement which was referred to in this house, in which I pointed out that it was this parliament that was responsible for the Old Age Security Act and not any provincial government. This was the only comment I made publicly during the election. I thank my hon. friend for giving me the opportunity to correct his statement and to make the record clear.

Mr. Coldwell: But the hon. gentleman was supporting the Liberal leader and the Liberal party.

Mr. Martin: The hon. gentleman always supports the Liberal leader and the Liberal party.

Mr. Coldwell: We have that clear now.

Mr. Noseworthy: That clears the matter up now. My point is that Liberals of the federal house participated in the campaign and seemed to be genuinely interested in this subject. I think it would be unfair to the Liberals who have shown such great interest in this subject throughout the years, and particularly in the last few weeks in Ontario, to close this debate on the address in reply without giving them an opportunity of expressing in some concrete way just what their attitude is. In order to do that I move the following amendment, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the following words be added to the address, as amended:

"This house further regrets that Your Excellency's advisers have failed to make provision for a national health plan, including hospitalization, medical care and health insurance."

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I hesitated a moment lest the Minister of National Health and Welfare wished to comment on this further amendment. I hope he will do so even yet. A few words from him would be quite sufficient, if they are the right words. I can assure you, sir, and the house that what I have to say at this point will be brief.

I want to indicate that, in my view, the subject matter of the amendment proposed by the hon. member for York South (Mr. Noseworthy) is one of the most important questions facing this country at the present time. It is a matter of extreme concern to all our people. We are slowly but surely making some headway in the field of social legislation, particularly in that we are getting rid of the means test with respect to the old age pension for those 70 and over and in that we are getting a pension started at age 65.

There are other improvements necessary in that legislation, principally an increase in the amount. But, as I have pointed out on a number of occasions, it is becoming extremely important that we bring in along with our old age legislation some forward steps in the field of health. I need not rehearse the story that has been given by my colleague with respect to the promises that have been made by this government across the years but which are not measured up to by actual performance. It certainly is a fact that our people across this country are interested in this whole problem of health and need some attention to be given to it. The wording of the amendment proposed by my colleague pin-points what is really needed, namely a national health plan, including hospitalization, medical care and health insurance.

There are various appropriate announcements that the Minister of National Health and Welfare could make at this time. I hope that the least he will do is to confirm the promise he made last June to the effect that at the 1952 session of parliament there will be a special parliamentary committee to go into this question. As he knows, ever since the work of the special parliamentary committee on old age security some of us have been urging that a further committee be set up; and during debates on this matter last June the minister indicated that we would have such a committee at the next session of parliament. I hope that the minister today will confirm that promise. I urge further that that committee be set up just as early as possible in the session that will start some time in the first part of 1952.

There is just one other comment that I want to make while I am on my feet, and it relates to a copy of a sessional paper which was tabled yesterday but which reached me just this morning. It is sessional paper No. 86-B which was tabled by the minister's parliamentary assistant, giving the answers to questions of mine having to do with requests from the provinces for grants for research purposes under the federal health grants program. This sessional paper sets out requests for grants for research purposes which have been turned down by the Department of National Health and Welfare. I want to register my protest against the action of the department or of the minister, or whoever is responsible, for turning down some of these requests. I think that action shows an indefensible lack of interest in some extremely important matters. For example, according to this sessional paper, the Newfoundland provincial government asked for assistance for:

A complete survey of the provincial hospitals which would improve their management and business procedures, under the terms of the general public health grant.

Well, Mr. Speaker, I know of a lot of things on which money is being spent which are a lot less important than a survey of the provincial hospitals of any province—in this case it was Newfoundland—with the hope of improving their management and procedures.

Then there was a request from Quebec for research into a certain aspect of arteriosclerosis, to be carried out at the pathological institute, McGill university, and at the Royal Victoria hospital in Montreal. We know how excellent is the work done at these institutions. I suggest that the failure to grant the money for that research project is something that we

should protest. Similarly, there was a request for money for research into the effects of electrical and chemical stimuli at the neuro-muscular junction, to be carried out by the department of physiology, McGill university. There are a number of other requests such as that from outstanding centres of medicine across the country.

Then here is one that came from Ontario, and frankly, when I look at it, I am amazed that the government turned this down, unless they were afraid of the results. Just listen to this. It is a request from the Ontario provincial government for assistance for a research project on:

> A housing and health survey in St. Thomas and district to discover the relationship, if any, between substandard housing and adult and child health.

I think that is definitely something that we should have research on, Mr. Speaker, namely the relationship between substandard housing and the health of our people. I think the government of Ontario is to be commended for proposing such a research project. I think that this government is to be condemned for turning down a project of that kind. There are others—I am not going to read them all—but there is one more I want to draw special attention to, and I am particularly disturbed that this request was refused. It was from the government of Saskatchewan. I am reading from the sessional paper that was tabled here yesterday. The request was for money for research on this subject:

> An administrative analysis of health insurance plans operating in Canada with emphasis on the patterns of administration emerging in this new field of health service.

I do not know all the details, but I believe that Saskatchewan indicated it was possible to get financial assistance from other sources as well, if they could get some assistance from the federal government for this, and it does seem to me that it would have been a very valuable piece of research.

The federal government wants us to believe that it has some interest in the question of health insurance. We vote money every year in the estimates for health insurance studies. It took considerable effort on our part for quite a while to get the government to spend that money for that purpose, but they are spending money on health insurance studies. They have a director of health insurance studies, although he does have other work as well. The Minister of National Health and Welfare (Mr. Martin) has given further evidence of at least some interest in the question of health insurance by his announcement that we are to have a special parliamentary committee on this subject next year. If that is so, it seems to me it would have been an excellent idea to have a piece of research such as this carried on and perhaps completed before that committee is set up.

I do not know how wide it was intended that this survey be made, but it sounds as though the government of Saskatchewan was interested in an objective survey of the administration of health insurance plans operating in Canada in all the various parts of this country.

If the government is sincere in its interest in health insurance, sincere to the point of being willing to establish a parliamentary committee at the next session, I certainly think it should not have turned down that request. The amounts of money involved in these various research projects that are covered in this sessional paper 86-B I am sure would be only a drop in the bucket compared with the federal government expenditures at the present time, and I hope that the minister will reconsider his decision against these research grants. I feel that all of those that I have indicated—and perhaps the rest of them in this sessional paper—should have been made. I hope, Mr. Speaker, that the minister will indicate that it is the intention to set up that special committee as early as possible at the next session of parliament.

Mr. Solon E. Low (Peace River): Mr. Speaker, before the question is put I should like to say just a word about the amendment, because I would not like to vote on it without making our position very clear. I must begin by saying that I am absolutely opposed to the amendment, not because I do not want to see our people throughout Canada have the advantage of any health measures which it is possible to extend to them, but I object very strongly to having these things all centralized in the federal government; I object strongly to having our people molly-coddled constantly and forced into becoming wards of a superstate.

I do not find it possible often to come to the assistance of the government, but when I do I like to make my position very clear. I think that the federal government has set about this whole business of health measures on a very wide program. I think they have done well, and I want to pay that tribute to them. They have done an outstanding job in the field of health, but they have had the good sense to work in close co-operation with the provincial governments in order to see to it that whatever assistance could be granted from the federal government to the authorities who are supposed to be looking after the health of the people—that is, the provincial and municipal governments—is

extended to them. I like a great many of the things that have been done by the department of health here. I could speak at length, but I do not intend to. I could enumerate the fine things that they have done to assist the provinces in their schemes for health insurance.

I would like to see more educational work done. There could be considerably more research, and perhaps more investigational projects. There certainly could be more education to assist our people to understand what it is that makes them sick, and to help them to follow a manner of living that will keep them well. I object to any national scheme that places a burden of taxation upon all the people to treat, we will say, a very large section of the population that will not do anything to keep themselves well. I do not think that is right. It is high time that we began to understand that until individuals in our country take advantage of the information that is available and educate themselves in nutrition and other health measures to the point where they will do their utmost to keep themselves out of hospital, until that time comes it is not wise to talk about taxing the daylight out of the rest for the sake of giving these others hospitalization and medical assistance.

When I say that, Mr. Speaker, I recognize that there are many people who could not do any more for themselves. I realize that. I realize, too, that there are many people who have no access to hospitalization or to doctors, because they cannot afford it. Certainly these are legitimate cases and there should be some way of helping them; but the best way to do it is to have the responsibilities placed upon the government nearest to them, and that is their municipal and provincial governments.

In our province of Alberta we have recognized the necessity of giving aid to our people as far as we possibly can, and that without taxing them to death. In the first place we decided years ago there were certain diseases that will strike members of families and will require long and costly treatment. Such diseases are likely to impoverish those families, and to render them homeless.

As a government we decided some years ago that it was our duty to step in and to assist in such cases. So we, as a government, took over the complete cost of poliomyelitis cases, and the after-training of individuals stricken with that disease, so that they could be fitted to earn something for themselves later on when their condition improved. We took over the full cost of the treatment of cancer cases. We recognized also that, to cut down so far as possible the high rate of infant mortality, we should extend maternity hospitalization of all expectant mothers, and do it at the expense of the government. That has been done. It has been going on very well for years. As a result, our infant mortality rate in Alberta has become very low.

Then, very early in the game we took over the full cost of the treatment of tuberculosis and, so long as necessary, the hospitalization incidental thereto. By taking these burdens off individuals the government has made it possible for families to get along, and has prevented their becoming impoverished through heavy medical costs.

We believe that in Alberta we have gone a long way in connection with hospitalization. We have now a scheme based upon careful and close co-operation between the provincial government and municipal authorities, and with the assistance of the federal government granted some years ago under a hospitalization scheme whereby individuals throughout the province can receive hospitalization for a dollar a day.

We felt it was wise to leave something to the individual. I do not believe it is good to give them everything. We felt in Alberta that a dollar a day was at least a token payment that almost any person could afford. It has had the effect that in Alberta one does not find the hospitals filled with patients complaining of bellyaches and ingrown toenails. They do not go to the hospitals unless they really need hospital treatment.

As a result we feel that our people gradually, step by step, are getting the kind of health assistance and health insurance they need. I believe it is wiser by far to work out schemes whereby the federal government will grant assistance through grants in aid so as, if possible, to equalize opportunities in respect of health facilities in all the provinces. We have felt it wise for the federal government to continue its investigational and research projects, and to make the results known to the people of Canada. This government should go as far as it can in assisting the provinces to inform the people about nutritional services and health measures of all kinds, so that people eventually will learn how to keep themselves well and out of the hospitals, as well as free from the necessity for medical care.

I wish to make it abundantly clear that we Social Crediters are favourable to every possible measure of assistance for our people in the field of health; but we strongly object to centralizing this in the federal government. Let us see to it that the fullest possible

measure of co-operation is built up between the federal government, the provincial governments and municipal governments. Let us see to it that we leave something to the individual. The only way in the world we can ever maintain a spirit of independence is to do something of that kind. So I say that until some such thing as we have been doing in Alberta can be conceived on a national scale, I must oppose the amendment.

Mr. MacInnis: Mr. Speaker, I should like to say a few words. As it is now almost one o'clock, I wonder if I might be permitted to proceed after lunch.

Some hon. Members: No.

Mr. Coldwell: Certainly.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

ORDERS IN COUNCIL

TABLING OF SUMMARY NOVEMBER 1, 1951, TO NOVEMBER 30, 1951

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, by leave of the house I should like to ask to revert to motions and lay on the table a summary of the orders in council passed during the period November 1 to November 30, 1951.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, as amended, and the amendment thereto of Mr. Noseworthy.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I wish to assure members that I rise to speak on this question with great reluctance, not because I am not interested in the subject matter of the amendment but like many other members of the house I hope to spend Christmas at home and I do not wish to hold up the house. I would not have spoken at all if it were not for certain remarks made by the hon. member for Peace River (Mr. Low). That is one excuse, and if another is necessary, I have spoken very little in the house during the present session. I do not suppose I should ask credit for that because I feel I should have expressed my opinions more often. In this matter I suppose I feel like most people as they approach old age, namely, that the things they regret are not the things they have done but the things they have not done. The amendment before the house reads:

> This house further regrets that Your Excellency's advisers have failed to make provision for a national health plan, including hospitalization, medical care and health insurance.

When the hon. member for Peace River spoke he gave the impression that the effect of the amendment would be to place all health matters under the control of the national government. Surely no member of this house believes that that is the purpose of the amendment, and least of all a member as intelligent as the hon. member for Peace River. All I want to do is to show that nothing more is included in the amendment than has been included in government statements in the house and in government documents over the last ten years. I have in my hand a book printed under the authority of the Department of Trade and Commerce, dominion bureau of statistics, health and welfare division. Its title is, "Health Reference Book, 1948." I should like to read briefly from the introduction on page 9 as follows:

> Government activities directed toward improving Canadian health standards include a broad range of services carried out by dominion, provincial and municipal authorities. Within the Canadian federal system, the principal responsibility for health administration—

Note that it is not all responsibility but the principal responsibility.

> —rests with provincial governments, the actual provision of service usually being shared with local authorities. Until 1948 the provinces and municipalities also paid virtually the full cost of maintaining traditional services and developing new programs in response to public demand.

Note that new programs came into being not to satisfy the social or political philosophy of any particular group or party, but in response to public demand. Then I wish hon. members to note this important paragraph in the introduction:

> An important change in the basis of support for new services was made in May, 1948, when the government of Canada announced the introduction of a system of grants to provincial authorities for the extension and improvement of facilities and services as a preliminary step in the development—

Development of what?

> —of a national health insurance plan.

Surely this amendment does not go beyond what we find in the government of Canada's health reference book of 1948. I also have before me the health reference book prepared for the dominion-provincial conference on reconstruction, August, 1945. It is a very instructive document, full of statistics and information on the health of the Canadian people and health services in Canada. The paragraph I wish to read is on page 47

and has the heading, "Summary of Opinions Regarding Health Insurance". It reads as follows:

> Recommendations made to the social security committee in 1943 and 1944 are summarized in the accompanying diagram, the most striking feature of which is the almost unanimous support given to the principle of health insurance by organizations presenting briefs and evidence.

This is referring to health insurance organized by whom? A health insurance plan organized by the government of Canada. It continues:

> Only one organization was quite opposed to health insurance, and another group requested exemption of its members on religious grounds.

I remember quite well the evidence given before the committee because I was a member of the committee. I wish to say again that the proposal contained in the amendment moved by the hon. member for York South (Mr. Noseworthy) does not go beyond what the government itself has been advocating. Whether or not they believe in it I do not know, but that is what they have been advocating, and I can only assume they do believe in it. Then I come to a perhaps more important document, the proposals of the government of Canada in August, 1945, to the dominion-provincial conference on reconstruction. At page 28 there is a section dealing with the national health program. This is not a provincial or municipal program; this is the national health program. The subheading is, "Scope for Improvement in Health and Health Services". It reads as follows:

> Although great progress has been made in Canada during the first half of this century, there still remains a tremendous job to be done in improving the national health and in extending the benefits of modern science and medical care to all parts of the nation and all sections of the population.

The tremendous job mentioned in this document has hardly been started, let alone completed. What the amendment moved this morning does is to regret that that has not been done. There is not the slightest ground for saying that this amendment proposes that all matters pertaining to health be under the authority of the national government. Let me read again from the same page as follows:

> There are great inequalities in the quantity and quality of health care available to different groups of Canadians, and in the costs of such public and private health services and medical and hospital facilities as are now available. These inequalities in part reflect differences in personal incomes, and in part are due to differences between rural and urban areas. Great differences between provinces arise from these same factors.

I noticed that when the hon. member for Peace River (Mr. Low) spoke he said that the government of Alberta was providing a large range of public health services. My congratulations to the province of Alberta not only on providing those services, but on being able to provide them. Then the hon. member went on to say that the government of Alberta was doing that without taxation. Even if Social Credit philosophy was being carried out by the government of Alberta, which it is not, I am firmly convinced that they could not carry out a program of health or any other service without taxation unless they had an alternative source of revenue. Fortunately for the people of Alberta they have an alternative source of revenue at the present time in the form of oil, but every province in Canada has not oil to draw on to provide funds for social services.

My own native province, the province of Prince Edward Island, has no oil wells from which it can finance social services. The province of Manitoba has no great oil wells, nor have the provinces of Nova Scotia and New Brunswick. There are scarcely any of the other provinces which can finance their governmental activities through the sale of oil. I say to the hon. member for Peace River that there is a limited amount of oil under the ground in Alberta. I do not care how much oil there is, the minute the first well was tapped they began to diminish the amount of oil under the ground. Some day they will find out that they have reached the bottom and they will have to turn to some other source of revenue to finance their social and other services.

As the hon. member for Peace River has said, I believe that people should do certain things for themselves. But before people can do things for themselves they must have the ability to do them. Social services are made necessary because people have not that ability. There is perhaps only one reason why a government should engage in any of these services and that is that the people as individuals are not able to provide the services for themselves. The moment there is a large number of people who cannot provide themselves with the things that are generally available within the country, then governments will have to step in because of public need and public demands. They must do this, not necessarily because they wish, but because the needs of the people compel them to do it whether or not it is in their political and social programs.

I believe and have believed for a long time that instead of being curers of disease which they cannot cure, doctors should be teachers of health. However, as long as medical doctors, the same as any other economic group, make their living out of disease I cannot see that they are going to waste a great deal of time in promoting health.

Mr. McCusker: That is a disgraceful statement the hon. member has just made to the house and I wish he would have it struck from the records.

Mr. MacInnis: The statement is not disgraceful nor does it cast any reflection upon doctors. However, I am not going to place doctors upon a pedestal above plumbers and other people who have their economic livelihood to gain. I do not know of anything that would disturb doctors more than having all disease disappear tomorrow from the face of the earth because they would have to find some other way of making their livelihood.

Mr. McCusker: That could come only from a man in that party.

Mr. MacInnis: If people have the necessary information there are things they can do to maintain their own health. I kept away from doctors for a period of thirty-four years, as I thought, owing to my knowledge of living, but finally I found myself in the position where I had to seek a doctor's advice. In the province from which I come we have hospital services and I had the benefit of that. People have to be taught what to do before they can know how to help themselves. I should like to read one more quotation from page 28 of this document:

> It is becoming evident that the basic condition for good health in a community is the wise use of sufficient money, and that this requires a degree of organization and long-term planning in the twin fields of preventive and curative medicine greater than anything yet attempted in this country.

If that is as true today, and I am sure that it is, as it was in 1945, it is also true that it cannot be carried out by the provinces or the municipalities without assistance from the national government.

May I say again that all that this amendment does is to regret that the government has not done as much as it could have done to carry out its own proposals and recommendations made over the last six or seven years. I had one or two other points which I wished to make but in order to save time I shall conclude my remarks now.

(Translation):

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, it seems to me that it would be fitting to mention the progress made with respect to health, in the last few years, with the present system. I have here two articles taken from a great Montreal daily, *Le Canada*, of August 22 last. The first is entitled:

Fruitful Federal-Provincial Co-operation

The death rate resulting from tuberculosis has been reduced by half in the province of Quebec from 1941 to 1950. It is quite natural that we should rejoice at such results. Unfortunately, the present government will immediately want to claim all the credit. In truth, part of the credit for this improvement is undoubtedly due to the government, but such improvement would not have been possible, during that period, without the vigorous fight undertaken against tuberculosis by the Taschereau government under the leadership of Mr. Athanase David.

The establishment of sanitary units, the popularization of B.C.G. and other means of fighting tuberculosis in which Mr. David took the initiative, could not bring immediate results. The governments which succeeded Mr. Taschereau's, those of Messrs. Godbout and Duplessis, carried on his work in favour of health.

We disapprove of many of the actions of the Union Nationale government, of the electoral methods of that party and of the continual boasting of its leader, but we note with pleasure that, in matters of health, Ottawa and Quebec, under any government, get along beautifully for the common good.

Thus, in 1945, with the unanimous approval of the legislative assembly, the government inaugurated a five-year health program. Financial help was not lacking from the central power; on the contrary, under the heading of tuberculosis control alone, it received more than $2 million; for the construction or expansion of hospitals, and of sanatoriums for consumptives, Quebec obtained from Ottawa nearly $8 million.

Last year alone, in the province of Quebec 1,372,800 persons were X-rayed in mobile clinics, dispensaries, county health units and general hospitals. One could hardly ask for better work in tracking down the disease.

Ten years ago, in the province of Quebec, 81 persons out of every 100,000 died from tuberculosis. Last year the proportion was down to 42. That is all we wish to remember, and we rejoice over that fact.

I have another item from the same newspaper, *Le Canada* of Montreal, in which it is remembered that the Minister of National Health and Welfare (Mr. Martin) is a benefactor of humanity. The item was published on August 24 and is entitled:

Benefits of Federal Health Grants

It is interesting to point out the notable development of mental health clinical services now taking place in Canada, mostly for children and adolescents. Nearly forty of these clinics have already been established throughout the country and others are being planned, thanks to the federal government's grants.

Another service which will prove to be of great importance is an instruction course in mental health for experienced teachers in primary and secondary schools. The men and women attending this course will qualify as instructors in mental health for the teaching staff. They will also act as liaison officers between the schools and the mental health clinic in their district. The federal minister of health will pay the teachers giving the special course. He will also award scholarships in order to allow teaching personnel to attend this course.

The mental health grant is but one of the ten grants provided by Ottawa to help provinces extend and improve their public health services. More than $31,000,000 is available each year for this purpose and the provinces are availing themselves more and more of those funds. Federal grants go to the following fields of activity: mental health, cancer control, tuberculosis control, general public

health, venereal diseases, crippled children, research work concerning public health and professional training.

If all the provinces continue to benefit fully from the money placed at their disposal under the national health program, the number and the quality of health services will improve greatly throughout the country. More than 20,000 hospital beds have been added to those already existing; the fight against cancer has been launched for the first time in several provinces and developed in others; medical research and training of medical personnel have been speeded up in the last three years. Public health authorities consider this federal grants program as the most memorable event of its kind on the continent.

Mr. Speaker, I have a third article I wish to read. This is taken from the leading editorial of a great Quebec city daily *L'Action Catholique,* in its November 2 issue. It is signed by the editor in chief of that paper, Dr. Louis-Philippe Roy, who pays a well deserved tribute to the Minister of National Health and Welfare. This followed a conference which had taken place two days previously in Quebec. Here is the article:

To Centralize is to Weaken Confederation

"To weaken the provinces by having recourse to centralization would be to weaken confederation at the same time. As regards the administration of the federal state, or, for that matter of any other state, simplicity and success are inseparable. The duty of any government is to seek the good of the people, not its own power." Then the Hon. Mr. Martin continues immediately:

"It has always been my conviction that Canadians, taken individually, should act as much as possible on their own initiative; that the family and the local community should be free to undertake those things that come under their own jurisdiction, in their own proper sphere; and that the federal government should undertake nothing that the provinces can do better than they can. The one and only purpose of federal health grants is to strengthen and support the provincial health services. Co-operation and not centralization, such is the main idea of the national health program."

The family is the best agency . . .

. . . says Dr. Roy.

This policy implies another: We must let the family do what it can do. "No welfare agency", said the Hon. Mr. Martin, "can take the place of the parents. The family is the best agency to which the care of any child should be entrusted. However, if such care is to be satisfactory, the family must have an income commensurate with its obligations".

This does not mean the Minister of National Health and Welfare underestimates the tremendous services rendered by many welfare organizations, "but", he adds, "when the fundamental needs of children are at stake, I believe that the family is best equipped to look after them, provided it has the required economic resources."

The express purpose of family allowances is to provide parents with a part of the resources they lack. Experience shows that the government was right in entrusting the allowances directly to parents, abuses being comparatively rare.

Mr. Martin's whole conference was characterized by broad-mindedness and a Christian and social spirit. It is fitting that this be noted and that the minister be congratulated. Let us hope that the excellent principles he mentioned will be applied by all his colleagues in the federal government.

It is a remarkable article. It is a fine tribute, one that was well deserved by the minister.

(Text):

Now, Mr. Speaker, that I have finished reading some French quotations, I want to say a few words about this amendment.

In the first place I want to remind the house of what has been done in this country in the way of social improvements. Those who lived twenty-five years ago never thought that family allowances would be paid in respect of children up to 16 years of age. It was impossible to think of that social service; it did not exist. Then, twenty-five years ago, who thought that the old people over 70 years of age would have $40 a month and that all those in need between the age of 65 and 70 would be entitled to $40 a month?

I remember that in my early career as a practising lawyer in my district—not only in my comté but in my district—I knew of only two old people who had to prosecute their children for non-support. All the others were supported by their children in accordance with the natural law and the civil code. All the children looked after their parents when they were getting old and when they were in need. After a time pensions were awarded and now everybody wants to have one. In fact, everybody who is over 70 receives a reward for being three score and ten years of age. It is a second blessing.

That is not all. The blind receive a pension from the age of 21 on. All those pensions are paid in the domicile of those who receive them. Besides that there is the workmen's compensation act in virtue of which those who suffer accidents at their work receive compensation. Then there is unemployment insurance that gives to those who have lost their jobs some compensation until such time as they can get new ones. Not only that, but grants have been paid by the provinces and by the dominion government for the enlargement of hospitals, for clinics and for all sorts of things.

The constitution must be taken into consideration. Some people may think that it is obsolete, but so long as it is in force and is the law of the land, we must abide by it. In virtue of the constitution, all matters pertaining to public health come under the

jurisdiction of the provinces, as the Minister of National Health and Welfare (Mr. Martin) so well said a short time ago in Quebec city, and on many other occasions. I want to make myself understood. The dominion government does not make any grants to private individuals. The minister and the department respect the constitution, and they make grants to the provincial governments who, in turn, look after the private individuals.

I must congratulate two gentlemen of Quebec city who are benefactors of mankind. I know this to be so. One of them is Dr. Jean Gregoire, a famous doctor for whom my friend the Minister of National Health and Welfare has personal admiration.

Mr. Martin: Hear, hear.

Mr. Pouliot: He agrees with that statement. The other is Dr. J. C. Beaudet who was in charge of the health unit in my county for some years before becoming assistant to Dr. Gregoire. These gentlemen helped the people who have to go to hospital by paying part of their hospital expenses, and without any political consideration. How many times did I write to them sending the hospital bills of one of my électeurs in my comté who was unable to pay, owing to various unfortunate circumstances. Then the department came along and assumed all the hospitalization costs. It was a great help. There is in existence the public assistance act. If the case is recommended by the municipality, the department pays everything. There are in existence today a great many social services that did not exist twenty-five years ago, owing to the excellent co-operation that exists between this government and the provincial government in my province. I presume the same situation exists with respect to the province of Ontario.

As to Ontario, extravagant statements were made by Walter Thomson during the last provincial election campaign. He was going to bring in a new Beveridge plan, and he was going to look after all the sick and those who were not sick. He was like the famous Chinese doctor who was going to keep the people in good health. Where did he go with that program? He failed lamentably. It should have been food for thought for my hon. friends of the C.C.F. who moved that amendment. If they think of that episode, they must realize that following the footsteps of Walter Thomson is not the way to success.

It is a matter of opinion, of course, but when I read his speeches I thought that they were extravagant ones and that he was speaking through his hat. Apparently the majority of the people of the province of Ontario thought likewise. Just because a man calls himself a Liberal, I am not bound to support him. If I had been in the province of Ontario I would have said, as did my leader, that my domicile is in the province of Quebec; and I would not have voted. But I can express my views about what has been said on a question of public importance.

I do not intend to speak at great length about the matter but there is one case that is deserving of sympathy. It is the case of the invalids. Human miseries are always a sad thing to behold, and our sympathies are aroused when we think of those who have been afflicted by invalidity or infirmity; and sometimes they are poor and need assistance. This motion is for hospitalization and medical care through health insurance. So long as hospitalization is offered and medical care is given there is no need for health insurance. Many invalids that I know are able to earn their own living. They do not ask for a pension. The others who are in more unfortunate circumstances and who have not sufficient means are always cared for when they are willing to go to the hospital.

The problem in my province is not that they are not looked after; it is that they want attention at home instead of going to the hospital. That is the great problem. I understand, as I have already said, when a mother looks after her children who are disabled, who are invalids, she gives them better care, I am sure, or kinder care, than anyone could do. She expects some compensation for the attention that she gives to her children and which is most meritorious. Health insurance will do nothing for them because they are unwilling to go to the hospital for any treatment. They want to stay home. Often I have recommended these people to Dr. Grégoire and Dr. Beaudet of the Quebec department of health for their hospitalization, and they flatly refused such recommendations. They said: "We do not want to go to the hospital. We want to stay home."

Finally, sir, there is one reason in particular why I am strongly opposed to the health insurance scheme. I want to tell my friend, the hon. member for Regina City (Mr. McCusker), that I have respect and admiration for him, and I know that he is one of the leading members of the learned faculty; but during the war when I looked after the cases of disabled soldiers and I saw the way they were dealt with by the army doctors it

revolted me. I do not want any army doctor to look after my family and myself; I want to choose my own doctor.

Mr. MacInnis: You had better be careful.

Mr. Pouliot: Because of the civil service preference, doctors who have been overseas on Cook's tours that lasted a few days have a preference even if they received the lowest required number of marks at the examination. That is one objection I have to the health insurance scheme. I have spoken long enough and I hope that the amendment will not be adopted.

Mr. George A. Drew (Leader of the Opposition): I simply rise for the purpose of explaining why I propose to vote against the amendment. I do so in the hope that, with the oversimplification that sometimes occurs, I will not see the statement made that in doing so we have voted against any national health plan. That is not before us. We have indicated our position very clearly in regard to adequate plans for maintaining and preserving the health of our people and offering to the people of Canada the very highest level of hospital and other facilities. I think that the position of our party was very clearly and very briefly stated on March 4, 1949, when, in discussing this very subject, the hon. member for Lanark (Mr. Blair) had this to say. I am quoting from page 1154 of *Hansard* of Friday, March 4, 1949:

> This party has long realized the necessity for a plan of health in the Dominion of Canada. Let there be no doubt where this party stands on that now. We stand in favour of a plan which, in co-operation with the provinces, will give the people the maximum of services, and yet be a plan of freedom, where the doctors will not be civil servants, and which will allow free choice between doctor and patient. We have got a full realization of the deficiencies in treatment services in Canada and in our preventive services, and we stand ready to implement a plan to overcome these deficiencies, and which will raise health standards in Canada to the equal of that in any other country of the world.

Without amplifying that statement, or seeking to go into further detail, I simply wish to say that this does represent a compact statement of the position of our party in regard to measures of this nature. We want to see provisions by which the health of our people will be advanced in every way that it is within the power of the government to assist. We want to see the opportunity afforded to every Canadian to have appropriate hospital service and to have the very highest level of medical treatment, no matter what their conditions in life may be. However, I would point out the statement on that occasion contained words which should not be forgotten in a discussion of this subject, namely, "in co-operation with the provinces." We must not forget that under our federal constitution health and civil hospitalization are within the exclusive jurisdiction of the provincial governments. It is not competent for the dominion government, or for the parliament of Canada, to deal with over-all plans of this kind, or to introduce measures which would put into effect even the most admirable program, unless that had been done in consultation with and in agreement with the provincial governments, and ultimately the legislatures of the provinces.

The amendment now before us amounts to a vote of want of confidence on the ground that the government has failed to make provision for a national health plan. That does not mean that it has taken the proper steps to advance a measure of this nature; it suggests that steps should have been taken in the present speech from the throne to provide a national health plan. No matter what any one of us in this house may think of the government's failure to advance further than it has in consultation with the provinces, the fact is that this subject has not reached a point where it would be possible to present a plan to this house because the provinces have not yet had an opportunity formally to approve of any plan. Nothing would be more unlikely to prevent the implementation of an effective plan than to proceed in a manner which might be regarded by the provinces as an arbitrary attempt to place on record an established plan and then simply ask for their approval or rejection.

Having said that, I wish to indicate my own belief that this is a subject which should be explored as expeditiously as possible. It is necessary to carry on extensive surveys and inquiries to find out what the best methods are that could be employed in this country of ours. One aspect of this problem alone which has not been adequately explored in relation to any plans of this kind is the disparity between the financial strength of one provincial legislature and another. As has already been pointed out, some provinces have available to them great natural resources from which they derive revenue to an extent that makes it possible for them to undertake programs which other provinces might not be able to undertake, no matter how much they might desire to follow precisely the same course. Any plan introduced which can properly be described as a national plan must be one which recognizes that difference, and which assures throughout the whole of Canada an equal measure of opportunity, or as nearly an equal measure as is practicable, so that every Canadian may have his or her health protected and preserved.

I suggest the discussion that has followed the moving of this amendment may well be borne in mind by the government; because I think it is quite apparent that throughout the house there is no substantial difference in the attitude of hon. members as to the desirability of taking measures which will improve the general health standard of our people, and equalize opportunity for all Canadians, no matter where they may live or what their financial position may be.

With that in mind I propose to terminate these remarks by repeating the statement placed upon record on behalf of our party by the hon. member for Lanark, and emphasizing our hope that in full and harmonious co-operation with the provinces we will be able to introduce in this country the very highest level of health measures existing anywhere in the world.

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to take not more than five minutes of the time of the house to bring to the government's attention something which I believe is a matter of very great national importance. I refer to the alarming state of unpreparedness in our civil defence program.

I feel sure all hon. members were deeply impressed when they read about the program which the city of New York has worked out, and which was put to the actual test a short time ago. The people of New York have faced a very real threat in a very practical way. And what the people of New York have done, we here in Canada can also do if we are given real leadership by the government.

While visiting the city of Edmonton this summer, I learned of the great apprehension felt by the people of that city regarding the possibility of air attack. They feel particularly vulnerable to air attacks from Russia, because during the last war on many occasions they actually saw Russian pilots walking their streets. They know how easy it is to fly from Russia to Edmonton, and back again. They are greatly worried indeed because nothing of a practical nature has been done to protect their great oil centre and air terminal from the possibility of air attack.

The people of Toronto and Montreal are similarly apprehensive. They are worried because nothing of a practical nature has been done to protect those vital centres of production. I feel sure that people in similarly vulnerable centres share the same apprehension. I feel it is essential that every effort be made to maintain our productive capacity. We are obliged to do this if we are to carry out the commitments to NATO we have undertaken, because that whole program is so dependent upon the productive capacity of this country.

It is not enough for the federal government merely to contribute to the cost of civil defence. The federal government must give leadership in the building up of our civil defences. It is true that the co-operation of the provinces and municipalities is not only necessary but essential. However, the primary responsibility for the defence of the civilian population of this country rests squarely upon the shoulders of the federal government.

To the extent that our government assures a satisfactory civil defence program can we be assured of an uninterrupted continuation of our productive capacity, upon which our preparedness program depends. I call upon the government to give this country a civil defence program of which we can be truly proud—instead of feeling ashamed, as I for one, and many other people, feel today.

What this country wants is leadership and a practical plan. What we are getting are bland assurances that everything is all right, coupled with a shocking state of unpreparedness.

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

YEAS

Messrs:

Argue	Knight
Bryce	Knowles
Coldwell	MacInnis
Gillis	Noseworthy
Herridge	Wright—11.
Jones	

NAYS

Messrs:

Abbott	Campney
Adamson	Cannon
Anderson	Cardiff
Applewhaite	Carroll
Arsenault	Carter
Ashbourne	Casselman
Balcer	Cauchon
Balcom	Cavers
Bater	Charlton
Black (Chateauguay-Huntingdon-Laprairie)	Chevrier
Black (Cumberland)	Churchill
Blackmore	Claxton
Blair	Cleaver
Blue	Cloutier
Boisvert	Conacher
Bonnier	Corry
Boucher	Cote (Matapedia-Matane)
Bradette	Cote (St. Jean-Iberville-Napierville)
Breithaupt	Cote (Verdun-La Salle)
Breton	Cournoyer
Brisson	Coyle
Brooks	Crestohl
Brown (Essex West)	Darroch
Browne (St. John's West)	Dechene
Bruneau	Decore
Cameron	Dickey

Diefenbaker	MacKenzie
Dinsdale	MacLean (Cape Breton North and Victoria)
Dion	MacLean (Queens)
Drew	MacNaught
Dube	Macnaughton
Dumas	McCann
Eudes	McCubbin
Eyre	McCulloch
Fair	McCusker
Fairclough, Mrs.	McGregor
Ferguson	McIlraith
Ferrie	McIvor
Fleming	McLean (Huron-Perth)
Follwell	McLure
Fontaine	McWilliam
Fournier (Hull)	Major
Fournier (Maisonneuve-Rosemont)	Maltais
Fraser	Martin
Fulford	Masse
Fulton	Meeker
Gagnon	Monette
Gardiner	Murphy
Garland	Murray (Oxford)
Garson	Nadon
Gauthier (Lake St. John)	Nixon
Gauthier (Portneuf)	Nowlan
Gauthier (Sudbury)	Parent
George	Pearson
Gibson	Picard
Gingras	Pinard
Gingues	Power
Goode	Proudfoot
Gour (Russell)	Prudham
Graydon	Quelch
Green	Ratelle
Gregg	Richard (Gloucester)
Hansell	Richard (Ottawa East)
Harkness	Richard (St. Maurice-Lafleche)
Harris (Grey-Bruce)	Riley
Harrison	Rinfret
Healy	Roberge
Hellyer	Robertson
Helme	Robinson
Henderson	Rochefort
Henry	Rooney
Hetland	Ross (Souris)
Hodgson	Rousseau
Hosking	St. Laurent
Howe	Sinclair
Huffman	Sinnott
Hunter	Smith (Queens-Shelburne)
James	Stick
Jeffery	Stuart (Charlotte)
Jutras	Studer
Kickham	Tremblay
Kirk (Digby-Yarmouth)	Tustin
Lafontaine	Valois
Laing	Viau
Langlois (Berthier-Maskinonge)	Ward
Lapointe	Warren
Leduc	Weaver
Lefrancois	Welbourn
Leger	Whiteside
Lennard	Whitman
Lesage	Winkler
Little	Winters
Macdonald (Edmonton East)	Wood
Macdonnell (Greenwood)	Wylie—189.
MacDougall	

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I understand we are now on the main motion as amended. I should like to protest against this method of parliamentary procedure in view of the fact that no answer or statement has been forthcoming from the government side in reply to the able presentation made the other day by the hon. member for Lake Centre (Mr. Diefenbaker). It will not take me long to place my views before the house.

Unless a protest is voiced against matters such as this, in the future they may be looked back upon as being precedents and carry considerable weight. I do not wish that to happen. My confidence in the strength of our institutions leads me to believe that this parliament will be in existence for many years and some time in the future a similar incident may arise. I should like to put on the record the short form of the address to His Excellency in order that the record might be quite clear. Omitting the preamble, the short form reads as follows:

May it please Your Excellency:

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

That form of address has been in use in this country since 1903 without any change. In fact there has been no addition to the address presented to His Excellency in the 85 years of the existence of this country except in 1899, to which incident I shall refer in a minute or two. The practice in Great Britain has been to move a short address similar to the one which I have quoted, and this practice has been followed ever since 1891, except on occasions when the government of the day resigned.

To those who may say that there is no particular importance to be attached to that, I reply that this strikes at the root of our parliamentary rules and procedure. If we are to consider that this particular established custom is of no concern then we will be led to say that other established customs similarly are of no concern and the book of rules and established parliamentary procedure may be considerably disturbed. I have no objection to changes in the rules and parliamentary procedure when they are founded upon reason and are fully debated, but this procedure is being rushed through at this time without full consideration.

As I understand it, parliamentary rules and procedure exist for the protection of the rights of minorities. One can look forward to the rights of future minorities being in danger. As was pointed out by the hon. member for Lake Centre, if the practice now to be incorporated into our procedure is

adopted in future years we will have motions of non-confidence in the government being moved by the opposition and straightway being amended and altered by the government side so that they will be ineffective and no clear vote be taken on the subject at issue. Consequently I think we should use great care when deviating from established rules and procedure.

In connection with the altering of rules and procedure I would suggest that we should consider at an early time reviewing the nature of the debate on the speech from the throne as it has developed over the last ten years. My own investigation indicates that this debate has altered materially during the last ten years. We have now reached the stage where we have established a record in this session of having six amendments or subamendments to the speech from the throne. That is just another record for this rather peculiar session.

I think there should be some revision of our method of procedure with respect to the speech from the throne. This is necessary in view of the criticism inside and out of the house of the length of time taken in debates here. I would refer those who are interested to Beauchesne's third edition, page 96, paragraph 226, where the subject of the address in reply to the speech from the throne is considered. On that page will be found a short quotation from a speech made by the Hon. Mr. McKenzie, as follows:

> It has been thought desirable in our parliamentary practice that it is better to postpone debates upon specific subjects of discussion in the house until those matters are brought forward before us by a bill or resolution.

Speaking on the address in 1879 Sir John Macdonald said:

> I am glad the opposition have adopted the English modern system—a very proper one—of passing the address without amendment, and when all the various subjects alluded to in it are dealt with, when the measures proposed are before the house, they and their details can be criticized with a full knowledge and satisfactory explanation with regard to the policy of the government.

I suggest that there is a field for investigation with regard to the procedure followed in the debate in reply to the speech from the throne.

I should like to say a word, Mr. Speaker, about the precedent of 1899 which has brought us to this impasse. Unfortunately no one in the House of Commons objected to the form of that amendment during the debate. It was a lengthy debate, covering twenty days. The subject was controversial and followed the discovery of gold in the Yukon and consequent charges of maladministration there. No one objected to the type of amendment that was presented on that occasion, and consequently we are confronted with a situation where we feel that a somewhat similar plan could be adopted here. I point out, as was pointed out by the member from Lake Centre, that a different method of dealing with the address was followed in those days. The address in reply to the speech from the throne followed almost word for word the speech from the throne itself. It was divided into paragraphs which were numbered, and there was a debate on each paragraph.

The amendment of 1899 was attached as paragraph No. 10. There had been nine paragraphs written into the resolution, and this was attached as paragraph No. 10. To cite another example, in 1902 Mr. Bourassa moved an amendment to paragraph No. 5, but subsequently withdrew that amendment so it did not establish any precedent. However, that was the method of conducting the debate on the address in reply to the speech from the throne in those days, that is up until 1902. Since 1903 we have had this short form of address, and there has been no means of moving amendments to particular items in the speech from the throne. Consequently, general amendments expressing want of confidence have been moved. Those, of course, have been considerable in number.

Now, how can the house extricate itself from this position? The only example that I have been able to find or that has been drawn to my attention is a procedure that was followed in England in 1894, to which reference has been made in this house. This is what happened on that occasion. There was a Liberal government in the house with the Conservatives as the official opposition, Liberal unionists, Irish nationalists and some independents. It was a rather mixed group, and the amendment on that occasion was moved by Mr. Labouchere. I am not sure of his position in the house, but I believe he was an independent. The government supporters in the house favoured the subject matter of the amendment, so it was passed and attached to the short address. In 1894 the short address read as follows:

> We, Your Majesty's most dutiful and loyal subjects, the commons of the United Kingdom of Great Britain and Ireland in parliament assembled, beg leave to thank Your Majesty for the most gracious speech which Your Majesty has addressed to both houses of parliament.

To that short address was attached an amendment concerning the restriction of the power of the House of Lords. The government felt that it could not present that amendment to His Majesty, and could find no precedent for an address that had been

amended without the resignation of the government. The government was not resigning, so at the particular stage which we have now reached, the government of the day, assisted by His Majesty's loyal opposition, voted down the main motion as amended and Sir William Harcourt immediately introduced the following short form of address:

> We, Your Majesty's most dutiful and loyal subjects, the commons of the United Kingdom and Ireland in parliament assembled, humbly assure Your Majesty that the measures recommended to our consideration shall receive our most careful attention and we beg leave to thank Your Majesty for the most gracious speech which Your Majesty has addressed to both houses of parliament.

That short form of resolution was then passed. I suggest that on this occasion, perhaps through an error in procedure—I am not referring to the Speaker's ruling but an error in procedure in the house—we have reached the stage where the address has been amended. Surely, the only way to extricate ourselves is to do the same thing as was done in England in 1894. The house should vote down the main motion as amended, and the government should introduce a new address in short form with just a minor alteration. This could be passed, and then we would be in keeping with the established tradition of the House of Commons.

Alternatively, if that course does not meet with favour, we should have a statement recorded on *Hansard* that this is not to be considered as a precedent, so that future parliaments will not look to this occasion as a guide. In this way, sir, I submit that no stifling precedent will be established which will interfere with the privileges and rights of the house. We shall maintain the long-established form of presenting an address to His Excellency, and the prestige of the House of Commons, which is at stake, will be maintained in high favour. We must recognize the fact that the House of Commons comes in for criticism from people on the outside, and we may be made to look ridiculous on this occasion.

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

Mr. Knowles: On division.

Mr. Drew: I should like to call a vote on it, Mr. Speaker.

Mr. Speaker: Will five members rise?

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the main motion (Mr. Cauchon) as amended which was agreed to on the following division:

YEAS

Messrs:

Abbott	Hunter
Anderson	Jeffery
Applewhaite	Jutras
Arsenault	Kickham
Ashbourne	Kirk (Digby-Yarmouth)
Balcom	Lafontaine
Bater	Laing
Black (Chateauguay-Huntingdon-Laprairie)	Langlois (Berthier-Maskinonge)
Blue	Lapointe
Boisvert	Leduc
Bonnier	Lefrançois
Boucher	Leger
Bradette	Lesage
Breithaupt	Little
Breton	Macdonald (Edmonton East)
Brisson	MacDougall
Brown (Essex West)	MacKenzie
Bruneau	MacLean (Cape Breton North and Victoria)
Cameron	MacNaught
Campney	Macnaughton
Cannon	McCann
Carroll	McCulloch
Carter	McCusker
Cauchon	McIlraith
Cavers	McIvor
Chevrier	McLean (Huron-Perth)
Claxton	McWilliam
Cloutier	Major
Conacher	Maltais
Corry	Martin
Cote (Matapedia-Matane)	Masse
Cote (St. Jean-Iberville-Napierville)	Monette
Cote (Verdun-La Salle)	Murray (Oxford)
Cournoyer	Nadon
Croll	Nixon
Darroch	Parent
Dechene	Pearson
Decore	Picard
Dickey	Pinard
Dion	Pouliot
Dumas	Power
Eudes	Proudfoot
Eyre	Prudham
Follwell	Ratelle
Fontaine	Richard (Gloucester)
Fournier (Hull)	Richard (Ottawa East)
Fournier (Maisonneuve-Rosemont)	Riley
Fulford	Rinfret
Gardiner	Roberge
Garland	Robertson
Garson	Robinson
Gauthier (Lake St. John)	Rochefort
Gauthier (Portneuf)	Rooney
George	Rousseau
Gibson	St. Laurent
Gingras	Sinclair
Gingues	Sinnott
Goode	Smith (Queens-Shelburne)
Gour (Russell)	Stick
Gregg	Stuart (Charlotte)
Harris (Grey-Bruce)	Studer
Harrison	Tremblay
Healy	Valois
Hellyer	Viau
Helme	Ward
Henderson	Warren
Henry	Weaver
Hetland	Welbourn
Hosking	Whiteside
Howe	

Whitman	Winters
Winkler	Wood—143.

NAYS

Messrs:

Adamson	Graydon
Argue	Green
Balcer	Hansell
Black (Cumberland)	Harkness
Blackmore	Hees
Blair	Herridge
Brooks	Hodgson
Bryce	Jones
Cardiff	Knight
Casselman	Knowles
Charlton	Lennard
Churchill	MacLean (Queens)
Coldwell	McGregor
Coyle	McLure
Diefenbaker	Meeker
Dinsdale	Murphy
Drew	Noseworthy
Fair	Nowlan
Fairclough, Mrs.	Quelch
Ferguson	Ross (Souris)
Fleming	Tustin
Fraser	Wright—45.
Gagnon	

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Mr. Fulton: He will probably send it back and ask for an explanation.

Mr. Graydon: He will regard it as a Christmas message.

Mr. Knowles: I wish to say a few words on this motion.

Mr. Speaker: Order. I would not think the motion is debatable.

Mr. Knowles: Oh, yes, Mr. Speaker.

Some hon. Members: Oh, no.

Mr. Speaker: Order. It is a procedural motion. It is not set forth in the standing orders as a motion that is debatable. If an hon. member can show me to the contrary I shall be glad to see it.

Mr. Graydon: This is not an ordinary message, Your Honour.

Mr. Knowles: If you will give us time we shall find it.

Some hon. Members: Sit down.

Mr. St. Laurent: I will indicate to the hon. member what it is. It is standing order 38.

Mr. Knowles: Yes.

Mr. Cleaver: While the hon. member is looking up the citation may I refer to the fact that I was paired.

Some hon. Members: Order.

Mr. Green: Order.

[Mr. Speaker.]

Mr. Speaker: Order. The hon. member for Halton merely wishes to mention the fact that he was paired with another hon. member.

Mr. Cleaver: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted, I would have voted for the motion.

Mr. Huffman: I was paired with the hon. member for Haldimand (Mr. Catherwood). Had I voted, I would have voted for the motion.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted against the motion.

Mr. Knowles: May I ask you to note paragraph (m) of standing order 38. When we read standing order 38 with paragraph (m) and the necessary preliminary words we get:

The following motions are debatable:
Every motion
(m) and such other motions as may be required for the observance of the proprieties of the house, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangements of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

Surely, Mr. Speaker, this motion has to do with the proprieties of the house. I suggest it is unthinkable that it should not be in order to say a few words about it.

Mr. Speaker: Order. I am sure this motion does not come within paragraph (m) of standing order 38. I doubt whether it would be appropriate to debate a motion which reads as follows:

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

The address has been passed, and this is a procedural motion which has always been made. I cannot allow debate on the motion. Is it the pleasure of the house to adopt it?

Mr. Knowles: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Knowles: Mr. Speaker, I accept your ruling, but may I point out—

Mr. Speaker: Order.

Mr. Knowles: May I point out that if Your Honour based it on section (2) of standing order 38 it could be decided by this house on a vote. I propose to ask that the house vote upon this motion.

Mr. Speaker: I have not ruled on that question. The ruling I am making is that the motion which has been made by the Prime Minister is not now debatable. Is it the pleasure of the house to adopt the motion?

Mr. Knowles: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And some members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudry
Black (Chateauguay-Huntingdon-Laprairie)
Blue
Boisvert
Bonnier
Boucher
Bradette
Breithaupt
Breton
Brisson
Brown (Essex West)
Bruneau
Cameron
Campney
Cannon
Carroll
Carter
Cauchon
Cavers
Chevrier
Claxton
Cloutier
Conacher
Corry
Cote (Matapedia-Matane)
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Cournoyer
Croll
Darroch
Dechene
Decore
Dickey
Dion
Dumas
Eudes
Eyre
Follwell
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Howe
Hunter
Jeffery
Jutras
Kickham
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Lapointe
Leduc
Lefrançois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCulloch
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Masse
Monette
Murray (Oxford)
Nadon
Nixon
Parent
Pearson
Picard
Pinard
Pouliot
Power
Prudham
Ratelle
Richard (Gloucester)
Richard (Ottawa East)
Riley
Rinfret
Roberge
Robertson
Robinson
Rochefort
Rooney
Rousseau
St. Laurent
Sinclair
Sinnott
Smith (Queens-Shelburne)
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Viau
Ward
Warren
Weaver
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood—143.

NAYS

Messrs:

Adamson
Argue
Balcer
Black (Cumberland)
Blackmore
Blair
Brooks
Bryce
Cardiff
Casselman
Charlton
Churchill
Coldwell
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Gagnon
Graydon
Green
Hansell
Harkness
Hees
Herridge
Hodgson
Jones
Knight
Knowles
Lennard
Macdonnell (Greenwood)
MacLean (Queens)
McGregor
McLure
Meeker
Murphy
Noseworthy
Nowlan
Quelch
Ross (Souris)
Tustin
Wright—46.

Mr. Fulton: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I voted I would have voted against the motion to send this improper address to His Excellency.

Mr. Cleaver: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted I would have voted for the motion.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted I would have voted in favour of the motion.

Mr. Huffman: I was paired with the hon. member for Haldimand (Mr. Catherwood). Had I voted I would have voted for the motion.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted I would have voted against the motion.

SUPPLY AND WAYS AND MEANS

APPOINTMENT OF COMMITTEES

Right Hon. L. S. St. Laurent (Prime Minister): I beg to submit the motions required by standing order 57 for the setting up of the committee of supply and the committee of ways and means. I move:

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

I also move:

That this house will at its next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Mr. Drew: May we have some explanation as to why these motions are necessary?

Mr. St. Laurent: Because standing order 57 requires them.

Mr. Drew: Mr. Speaker, the rules require a number of procedures in an orderly and sensibly conducted session, but in this particular session, where there has been no budget and nothing calling for these motions, I think members should be told why they are necessary, no matter what may be contemplated in the case of a regular session.

Mr. Speaker: I might remind the house that these motions are not debatable. There are two motions. One is to set up the committee to consider the supply to be granted to His Majesty and the other is respecting ways and means. Will the house receive both motions at the same time?

Some hon. Members: Agreed.

Mr. Drew: I am not debating these motions, but I should like to have some indication as to what supply is being called for.

An hon. Member: Read the rules.

Mr. St. Laurent: Standing order 57 reads:

The house shall appoint the committees of supply and ways and means, at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

"At the commencement of every session" means just as soon as the various motions, amendments, subamendments and votes can be disposed of, and this time there have been a great many. Under the standing order these motions could not be moved until the address had been adopted, and the rule requires that it be done as soon as the address is adopted. I am submitting them at the time required by the standing order. The house knows that it is not the intention of the government to submit a budget at this session, and there may be no occasion for anything to be dealt with by the committees; nevertheless they are required to be set up by the rule.

[Mr. Browne (St. John's West).]

Mr. Drew: I simply repeat that I am not debating the question—

Some hon. Members: Oh, oh.

Mr. Drew: —but while the rules may call for a certain procedure, that procedure must have some relation to reality. The rule that has been read relates to the procedure having to do with the introduction of a budget. I submit if there is to be no budget these motions have no meaning.

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

Mr. Drew: On division.

Mr. St. Laurent: Does the hon. member want a recorded division again?

Motions agreed to on division.

PRIVATE BILLS

SENATE BILLS—FIRST AND SECOND READINGS

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed the following bills to which concurrence of this house is desired: Bill No. 37, letter C of the Senate, intituled an act respecting the general synod of the Church of England in Canada; Bill No. 38, letter D of the Senate, intituled an act respecting the general synod of the Church of England in Canada and the missionary society of the Church of England in Canada; Bill No. 39, letter E of the Senate, intituled an act to incorporate the Evangelical Mennonite Brethren of Canada; Bill No. 40, letter F of the Senate, intituled an act to incorporate the Sisters of Charity of the House of Providence.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, perhaps this may be a less controversial subject. It has to do with a matter that was dealt with by unanimous consent the other day. If I have the unanimous consent of the house now to revert to motions I would move:

That the private bills received from the Senate this day be now read a first and second time and be referred forthwith to the standing committee on miscellaneous private bills; that standing order 105 respecting the posting of private bills be suspended in relation thereto; and that the said committee be empowered to sit while the house is sitting.

Motion agreed to, bills read the first and second times and referred to the standing committee on miscellaneous private bills.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—DEEP WATERWAY BETWEEN MONTREAL AND LAKE ERIE

The house resumed from Tuesday, December 11, consideration in committee of Bill

No. 33, to establish the St. Lawrence seaway authority—Mr. Chevrier—Mr. Dion in the chair.

On section 15—*Tariffs of tolls.*

Mr. Green: Can the minister tell us whether the board of transport commissioners has jurisdiction over any other tolls on canals, or tolls of a similar nature?

Mr. Chevrier: Yes. I speak of course from memory, but I believe that some time ago the Transport Act was amended in order to give the board of transport commissioners jurisdiction over tolls on the Mackenzie river.

Mr. Green: Then the only ship tolls over which it has any jurisdiction at the present time are the tolls on the Mackenzie river?

Mr. Chevrier: They also have certain jurisdiction under part II of the Transport Act.

Mr. Green: I ask that because this would seem to be breaking new ground for the board. They will have to consider a new type of rate in connection with these tolls. I wonder whether this is the beginning of a policy of turning the control of shipping over to the board of transport commissioners?

Mr. Chevrier: I do not think this is breaking new ground in so far as the board of transport commissioners is concerned. My colleague draws my attention to the fact that the board does not fix these tolls. The authority will fix them and file them, but they are subject to the jurisdiction of the board under section 52.

Mr. Green: These tolls are to be adjudicated upon in much the same way as freight rates, are they not?

Mr. Chevrier: Yes.

Mr. Green: If anyone complains that the tolls are unfair, that complaint is presented to the board of transport commissioners which could rule against the tolls, in which event the St. Lawrence authority would have to change them. Will that be the position?

Mr. Chevrier: Not quite. After deciding whether or not rates as fixed by the authority are unjustly discriminatory, the board of transport commissioners would then report to the authority.

Mr. Green: If the finding of the board is to be merely a recommendation and not an order, are we not putting the board of transport commissioners in a position which is not very sound?

Mr. Chevrier: I think not. The tolls have to be fixed with reference to the capitalization of this scheme. If the board of transport commissioners perchance were to recommend that tolls be lowered to an extent that would make it impossible to amortize the scheme, pay the interest and operating charges, then the authority might well not accept that recommendation. There is still the provision of section 52 for appeal to the Supreme Court of Canada.

Mr. Brooks: I want to ask a question with reference to what was said the other day in answer to a question by the hon. member for Vancouver-Quadra about cabotage. I understood the minister to say that United States ships would not be allowed to pick up trade in a Canadian port for delivery to another Canadian port. My attention has been drawn to the fact that ships operated by the Chicago *Tribune*, which is owned by Colonel McCormick, are carrying pulpwood or pulp products from the lower St. Lawrence port of Baie Comeau to Thorold in Ontario.

Mr. Chevrier: My information is that those ships are under Canadian registry.

Mr. Brooks: My informant told me these ships carry the United States flag.

Mr. Chevrier: I should like to look into that because it would be contrary to the rules of cabotage.

Mr. Howe: I think I am correct when I say that all the ships owned by the McCormick interests are registered in Canada.

Section agreed to.

On section 16—*Tolls to be fair and reasonable.*

Mr. Adamson: Would it be possible under this clause to have a differential in the tolls charged a ship plying between two Canadian ports under Canadian registry and a ship under foreign registry?

Mr. Chevrier: No, that would not be so under this section.

Mr. Adamson: I bring that up because that was one of the extremely contentious issues when the Panama canal was constructed. The United States, which built the canal, for many years had a differential in favour of United States ships because it was contended that ships moving between the east and west coasts were intercoastal ships and therefore should not have to pay tolls. I was wondering if a ship plying from a lower St. Lawrence port to a port on the upper lakes would pay exactly the same toll as a ship of foreign registry coming in from some other continent and carrying goods to an upper lakes port.

Mr. Chevrier: That is right; otherwise the toll would not be fair and reasonable.

Mr. Green: This section provides for the setting of tolls which will be high enough to

pay the interest on amounts borrowed by the authority, to amortize the principal of amounts so borrowed over a period not exceeding fifty years, and to pay the cost of operating and maintaining the canals and works under the administration of the authority, including all operating costs of the authority and such reserves as may be approved by the minister. Of course this brings up an important point because it involves the whole financing of the seaway. Yesterday the Minister of Defence Production said this corporation was being set up with powers similar to those of the national harbours board.

Mr. Howe: My hon. friend asked if there was a parallel in any other corporation and I said the parallel would be the national harbours board; but I was referring only to the form of the corporation.

Mr. Green: That is sufficient for my submission. There does not seem to be a provision anywhere for a report to parliament; parliament is left entirely out of the picture. Secondly, there is no provision in the bill for calling for tenders for work to be done. Both these provisions are contained in the National Harbours Board Act, chapter 42 of the statutes of 1936. As the minister knows, section 32 of that act reads:

> The board shall, as soon as possible but within three months after the termination of each calendar year, submit an annual report to the minister in such form as he may prescribe and the minister shall lay the said report before parliament.

Section 12 of the same act provides for the calling of tenders, and I should like to quote subsection 1 which reads:

> (1) Whenever any works are to be executed under the direction of the board, the board shall call tenders by public advertisement for the execution of such works, except in cases
>
> (a) of pressing emergency in which delay would be injurious to the public interest; or
>
> (b) in which from the nature of the work it can be more expeditiously or economically executed by the officers and servants of the board or of His Majesty; or
>
> (c) where the estimated cost of the work is less than ten thousand dollars.

That is the provision for the calling of tenders in the case of the national harbours board. I suggest to the minister that some similar provisions should be written into this bill covering, first of all, a report to parliament and, secondly, the calling of tenders. Here we have an authority being set up which will spend an amount of money perhaps equal to the amount spent on all the national harbours of Canada. I have not had time to check the amount of money expended on the national harbours, but I would doubt that it is as large as the amount involved in the St. Lawrence seaway. I think it is a very sound principle that this authority, which is to have such vast powers and is to control such a big project, should report annually to parliament. We must not get these bodies away from the control of parliament.

In this bill there is not even provision for a report to the minister. In the case of the national harbours board, I know it is helpful to get that report each year. I submit that parliament certainly is entitled to get a report from this authority in some way, and I hope the government will agree to an amending section providing for such report.

I would point out to the minister also that this bill contains no provision for the publication of regulations passed by this authority. The national harbours board has to do that, and I see no reason why there should not be some provision in this seaway bill for the publication in the *Canada Gazette* of the regulations which are passed by the authority.

With regard to the provision making it necessary to call for tenders, we have been getting farther and farther away from that good old-fashioned practice. Time and time again exceptions are made. Here is an authority which is to spend a great deal of our money, and I feel there should be a provision set out in the bill forcing the authority to call for tenders with, of course, whatever exceptions are reasonable. Such a provision seems to have been completely overlooked in this bill, and I believe that is a great mistake. If there is to be no such provision then it will be hard to justify insisting upon calling for tenders for many other types of work, and in my opinion this is a departure from a good practice.

Mr. Chevrier: On the last point raised by the hon. member, namely the reference to a report to parliament, if he looks at section 25 which has to do with the guarantee of loans he will see that when a loan or guarantee is made under that section, parliament must authorize it. There will be, therefore, an opportunity for discussion. Again with reference to the point he raised, the hon. member is not without knowledge that the financial administration measure, which is in the committee on public accounts, provides for an annual report being made to parliament by all crown companies. It is not necessary, therefore, to put a provision in this bill. The object of the financial administration bill is to consolidate the financial aspects of all crown companies so they would have to make annual reports to parliament, and so there could be a greater check on their finances by the department concerned. I believe that meets the point.

Mr. Green: That might be good enough in the case of the ordinary crown company, but here we have one set up by statute, and it is probably the most important crown company under dominion authority. What this financial bill will contain by the time it passes the house is open to question. It is still in the public accounts committee, and may very well not pass the house at this session. I believe a provision should be written into this bill that a report will be presented annually to parliament. There are not very many of these companies which do report annually.

Mr. Howe: Every one of them reports annually.

Mr. Green: To parliament?

Mr. Howe: Certainly.

Mr. Green: The national harbours board reports, I know, because I am interested in the Vancouver harbour. There is a report every year, and I find it helpful. I see no reason why there should not be a similar provision in this bill.

Mr. Chevrier: There is no intention that this company will not report to parliament, and I hope the hon. member will not think there is. The point I am making is that there is provision already for all crown companies to report to parliament, under the financial administration bill. For that reason I do not think it is necessary to have a duplication. However, I am not saying that I am going to oppose it. I think it is redundant.

Mr. Green: It is not a redundancy yet, because the other bill has not been passed, and it might not be passed at this session.

Mr. Chevrier: The other point the hon. member raised concerns tenders. The reason a section concerning tenders was not put in the bill is that it may be necessary to do a great deal of the work with our own equipment. It might not be possible to get tenders for some of the work. As a matter of fact there is a section in the Ontario agreement which provides that under certain conditions the federal government can perform the work itself. It is for this reason that the tender clause was not put in.

Mr. Green: That exception is covered in the National Harbours Board Act. In section 12, subsection 1, paragraph (b) we read:

> in which from the nature of the work it can be more expeditiously or economically executed by the officers and servants of the board or His Majesty.

That exception is made, as the minister has said.

Mr. Drew: Mr. Chairman, I do not think the minister should object to introducing this amended section. In the first place, this is not a crown corporation in the ordinary sense of that term. Crown corporations are corporations of the type which usually contemplate the development of a particular enterprise with limited scope, important though it may be. This is a great national venture, and is comparable in many ways with the development and operation of publicly-owned power and other projects of that kind. Certainly there should be a provision for the calling of tenders. There could be the same reservation as there is in the National Harbours Board Act, and as is contained in other acts concerning the use of government equipment under the Department of Public Works where that becomes desirable. I do not believe we should be called upon to rely on a general provision calling for an annual statement, because this is an extremely important operation. In similar operations on the dominion or provincial level I believe there is a specific section calling for the delivery of an annual report to the legislative body from which the power of these organizations emanates. I would ask the minister to agree to have sections covering this point introduced and that the act stand, after having dealt with the other sections.

Mr. Chevrier: I wish I could accept the suggestion of the leader of the opposition, but I do not think it applies here with the same force as it does with regard to other crown companies, for the reason I mentioned earlier. I do not think any harm is going to be done if a reference to a report is not made in this act, because it is covered in the other act. In any event, because of the votes that will have to be dealt with at other sessions, there will be full opportunity for discussion of the seaway activities.

Mr. Howe: If I may, I should like to raise another point. It must be kept in mind that this act is intended to apply even though we become partners with a United States authority in carrying it out. The purpose is to leave it as flexible as possible so it can apply either as a partner or not. I do not think we should tie ourselves up to regulations which may not be parallel with those of the United States. It stands to reason that the men who operate this authority under the minister would use all reasonable precautions in protecting public funds. In that connection I might point out that the authority will finance itself. The borrowing is only temporary. It is intended that the authority will issue public bonds guaranteed by the government, and that it will be self-supporting. I think it is purely the point of view of having a flexible arrangement that would cause us to object particularly to

public tender; I think if we are bound to public tender and the authority in the United States is not, difficulties may arise.

Mr. Green: With regard to the report I would point out to the minister that in the schedule of this other bill there is a list of crown corporations, and it does not include any reference at all, of course, to this one. They are all listed here in schedule C: Canadian Arsenals Limited, Canadian Commercial Corporation, Canadian Patents and Development Limited, Canadian Sugar Stabilization Corporation Limited, Commodity Prices Stabilization Corporation Limited, Crown Assets Disposal Corporation, Defence Construction (1951) Limited, and so on.

Mr. Chevrier: It would not be listed there because it was not in existence. But my understanding is that in the earlier part of the bill there is a clause which provides for crown companies—

Mr. Green: Yes, that is true.

Mr. Chevrier: —making an annual report. I think it covers the point. The point raised by my colleague is, I think, a good one, namely that if we were to tie ourselves down to something which was not necessary in the United States we might be embarrassing ourselves.

Mr. Knowles: Mr. Chairman, may I try to be a bit helpful on the point. Section 76 of the financial administration bill is in three subsections. Subsection 1 states that the crown agencies or crown corporations are those listed in the schedule to the act as it now stands. We can skip subsection 2. Subsection 3 of section 76 says that the governor in council may by order add to these various schedules the names of any other bodies that should be there. I think the minister could satisfy me on the point, and perhaps the hon. member for Vancouver-Quadra and the leader of the opposition as well, if he could tell us that it is the intention of the governor in council, once both these bills are in effect, to add the St. Lawrence seaway authority to the appropriate schedule of the financial administration bill.

Mr. Chevrier: I think I can give that undertaking.

Mr. Green: You would have to amend the other bill.

Mr. Knowles: No, it would not be necessary to amend the other bill. The power is there to add to the schedule by order in council any other crown agency or crown corporation. That was the reason I asked the minister for the undertaking which he has now given.

[Mr. Howe.]

Mr. Green: We are not keen on orders in council. I think the better way to handle the matter—if the other bill goes through after this one—would be to amend the financial administration bill by naming the St. Lawrence seaway authority in a schedule.

Mr. Chevrier: I have no objection to that procedure, and I am sure that the Minister of Finance will not have any.

Section agreed to.

Sections 17 and 18 agreed to.

On section 19—*Regulations.*

Mr. Green: What about publication of these regulations in the *Gazette*?

Mr. Chevrier: These are regulations of the same nature as our canal regulations. As set out here, they have to do with the control of works and property under the jurisdiction of the authority, the regulation of vessels and the like. They will not be different from those regulations. I understand that they are not published but that they are tabled here from time to time. When there are any amendments, the minister tables them from time to time in the house.

Section agreed to.

On section 20—*Authority to comply with directions of the governor in council.*

Mr. Green: Will the minister explain this section?

Mr. Chevrier: Yes. This is in case it may be necessary to enter into an arrangement with the United States authorities in conformity with the 1941 agreement or some modification thereof; then the authority will comply with the directions of the governor in council in so far as the making of arrangements for the construction of the seaway with the United States is concerned.

Section agreed to.

Section 21 agreed to.

On section 22—*Non-application of R.S., c. 140.*

Mr. Green: Why is it necessary to put in this provision that the Navigable Waters Protection Act shall not apply to works undertaken by the authority? Can the necessary exceptions not be made from time to time as the authority does the work?

Mr. Chevrier: I suppose it could be; but it would make for greater clarity and ease of operation if this section is approved, the reason being that when works are performed in navigable waters an application must be made to the Minister of Public Works for his approval and in some cases it is a fairly

lengthy application. In a case such as this, where tremendously large works would be involved, a great deal of processing would have to be done by way of application to the minister. Since the international joint commission is the body that will be disposing of this project through its various divisions, there will then be ample protection from the Navigable Waters Protection Act and for that reason it is being excepted.

Mr. Green: Would this section not apply to the waters after the work has been completed? In other words, will the result of the passing of a section of this kind not be that the Navigable Waters Protection Act will not apply to any of the navigable waters in the seaway?

Mr. Chevrier: Oh, no.

Mr. Howe: No. Just the works undertaken by the authority.

Mr. Chevrier: This is with respect to works undertaken by the authority pursuant to this act. After the work is done, the Navigable Waters Protection Act still applies to the St. Lawrence river.

Mr. Green: Should that fact not be made clear? The minister intends it to apply only to the construction of works undertaken by the authority. But the way it reads it could be made to apply to the completed works. I think it is just a matter of English.

Mr. Howe: The Navigable Waters Protection Act applies only to structures. It does not apply to the operation of any works. In other words, if a structure is approved under the Navigable Waters Protection Act before it is built, that structure has complied with the act for all time.

Mr. Green: Suppose someone wants to build a wharf or a pier on the seaway. Would the Navigable Waters Protection Act come into the picture?

Mr. Chevrier: He could not build a wharf on the seaway. He could build a wharf off the seaway and the Navigable Waters Protection Act would apply, but no works could be built within the seaway itself, or on the banks of the seaway.

Mr. Green: The seaway is not all to be a canal. Part of it would be in the shape of lakes, would it not?

Mr. Chevrier: That is right.

Mr. Green: If a person wanted to build a pier on the lake shore would the Navigable Waters Protection Act not apply?

Mr. Howe: It would apply.

Mr. Chevrier: I would think it would.

Mr. Howe: If my hon. friend will permit me, this clause says:

> The Navigable Waters Protection Act does not apply to works undertaken by the authority pursuant to this act.

In other words, if the authority undertook works it would have to comply with the rulings of the international waterways commission; it would not have to comply with the Department of Public Works administration of the Navigable Waters Protection Act. One government authority is transferring a limited responsibility to another government authority.

Section agreed to.

Sections 23 to 28 inclusive agreed to.

On section 29—*Coming into force.*

Mr. Adamson: This is the last clause, and it deals with commencement. I want to put this question to the minister for clarification. Whether or not we got any co-operation from any part of the United States government we could, and it is our intention to, proceed with this work?

Mr. Chevrier: Well, I am afraid that is going pretty far. In the first place, this section indicates when the act shall come into force, and I do not think it would be the intention of the government to proclaim it until such time as the province of Ontario had passed a similar act covering the following bill.

Mr. Adamson: You can take that for granted.

Mr. Chevrier: While we can build a canal on our side, we certainly need some co-operation from the United States government in so far as the processing of the application by the province of Ontario, and the complementary authority on the other side of the line, to the international joint commission; and the government of Canada undertakes to do all in its power to hurry and press the thing along, as is indicated in the bill that will follow. Therefore I do not think we can go quite as far as my hon. friend did. I think that puts the position as it is.

Mr. Adamson: The bill that is to follow, which rather complicates the matter, does require compliance with the United States designated authority which, in these circumstances, is the power authority of the state of New York; but if that is not granted we could, as I understand it, proceed with the seaway alone and neglect the power?

Mr. Chevrier: Yes, we could.

Mr. Adamson: Economically suicidal as it would be—

Mr. Chevrier: Yes.

Mr. Adamson: —from the power point of view, that still could be done, and if continued opposition were met by this government they would be prepared to proceed with that?

Mr. Chevrier: Well, I think, as my hon. friend says, undesirable as it would be to proceed with one without the other, this bill gives us the authority to proceed with the other, namely the navigational works.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ST. LAWRENCE POWER DEVELOPMENT

AGREEMENT BETWEEN FEDERAL AND ONTARIO GOVERNMENTS

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 34, respecting construction of works for the generation of electrical power in the international rapids section of the St. Lawrence river.

Mr. Adamson: Is the minister going to make a statement?

Mr. Chevrier: I was just going to say that this is the bill concerning the development of power in the international rapids section of the river. I do not propose to make a lengthy statement for the reason that both resolutions were considered together, and to a large extent I think both bills are being considered together. All this does is implement an agreement made between the government of Canada and the government of the province of Ontario. There are only four clauses in it, the first having to do with the approval by this parliament of the agreement; the next giving power to the province of Ontario to transfer certain lands, and likewise to Canada; the third gives certain powers to the hydro-electric power commission, and gives to the Power Commission Act of Ontario the same powers of expropriation *mutatis mutandis* as have been contained in the Expropriation Act of Canada. In other words, what this does is confirm the agreement entered into between the two governments of Ontario and Canada for the development of power in the international rapids section of the river.

Mr. Rodney Adamson (York West): Mr. Speaker, this bill is completely complementary to the other, and it would be unthinkable if one were considered without the other. As a matter of fact they are and must be considered as a joint plan. What I shall have to say on this subject at this time will be short, but I feel that the record should contain some statistics of the growth of the load of power and the demand for power in Ontario. I shall endeavour very briefly to put that on the record to show how desperately this power is needed in Ontario at the present time.

I think some hon. members do not realize what has happened in Canada since the end of the war. The figures for population, the figures for growth of industry, and the figures for growth of load for primary power I think are probably outstanding for any country in the world. In 1940 the load in Ontario was 2,116,600 horsepower; in 1945, that is at the end of the war, it had grown to 2,597,400 horsepower; but in 1950, that is in half a decade since the war, it had grown to 3,659,900 horsepower. In other words, in the period since the war the primary load in Ontario has grown no less than 41 per cent. In that period of five years the extra power load very nearly equalled half the total load in Ontario at the end of the war. While figures for gross provincial production show in dollar value an even more astounding gross, there is some degree of reduction owing to the inflated dollar and the lower purchasing power of the dollar. In 1945, however, the gross provincial production was $3·97 billion, while in 1950 this had grown to an estimated $6·55 billion, or an increase over 1945 of 64 per cent.

I mention this to show the growth of industrial output which runs concurrently with the growth of primary power, and how these two essential factors in our development run hand in hand. One is complementary to the other, and I give this as an example of why it is necessary and desirable for us to develop all possible sources of primary power, wherever they may be located in Canada. To give an example of this growth, and to show the current rate of increase in growth, let me point out that the gross primary load per 20-minute peak, on a date at the beginning of this session, was 415,086 horsepower greater than the same day a year ago. Or, to express it in another way, it was 32,400 horsepower greater than the Toronto average load for the month, including Leaside. In other words every year the total load for Ontario is growing at a rate equal to the total load for greater Toronto. We think that is an astounding development. It would appear that the load in this province is growing at a rate equal to the load of what is certainly the second, and perhaps is now the leading, industrial city in Canada. That is an example of the astounding growth of the load in Ontario.

Since the end of the war in 1945 there have been installed 1,112,700 horsepower of primary hydroelectric power. There are under contract and under construction 970,000 horsepower. I am using the horsepower unit rather than that of the kilowatt, because the former is a somewhat easier lay term. The same plants, now either completed or under construction, will add a further 892,000 horsepower, or a total under construction of 1,862,000 horsepower. This makes a grand total of 2,975,000 horsepower added or under construction at the present time in Ontario. When one considers the enormous construction that has been undertaken by the Ontario Hydro Electric Power Commission, if he did not appreciate the tremendous growth in this area he would conclude that there would be comparative security for at least the medium distant future. But at the present rate of growth, assuming we do not get an acceleration over the 1950 rate of growth—and that is not being borne out—there will be a further power shortage in Ontario in 1957. As we are now in the year 1951, we have at the very outside five years of grace before there may be a further power shortage in Ontario, despite the fact that there has been added or is being added nearly 3 million additional horsepower since the end of the war.

I believe that growth will compare favourably with the growth of any other area at any period, anywhere in the world. I very much doubt if comparable figures anywhere else have ever been established.

Now let us come to the next question, what it will mean if we are denied that power. The cost of steam power is approximately three times the cost of power developed on the St. Lawrence river. Using construction costs of 1949, we may assume that hydroelectric power can be produced on the bus bars at the plant for approximately 3 mills per kilowatt hour. Taking steam at the then rate, we find that the cost will be slightly over 7¼ mills per kilowatt hour. The original figure for hydroelectric power was 2 mills per kilowatt hour, but to be on the safe side it has been estimated that construction costs will now make it 3 mills per kilowatt hour.

Besides the extra cost to the consumer, there is the problem with steam power of obtaining coal. Certainly the coal for the Windsor generating plant, and up to now, I believe, for the Toronto generating plant, has been purchased from the United States, which further puts out of balance our balance of payments position with that country. Therefore both from the point of view of cheap power and the balance of payments position with the United States it is imperative that this work be proceeded with as soon as possible. I do not propose to go into the figures in detail with respect to the use of power in Ontario and the use of power by the Hydro Electric Power Commission. However, the figures show that nowhere in the world is there such high consumption of electrical energy on a per capita basis as there is in Ontario. This has been brought about progressively and aggressively by the Ontario Hydro Electric Power Commission, who deserve the greatest credit for the work they have done not only for the industrial and urban consumer but particularly for the farm consumer. I think the record of farm electrification in Ontario is unique anywhere in the world. They have done this as a public trust in such a way as to make Ontario hydro the best servant the people of Ontario could possibly have.

I mention these facts merely to put them on the record at this juncture. They have all been given before by the chairman of the Ontario Hydro Electric Power Commission, Mr. Saunders, and by others; but I also do so to show hon. members in the house who do not come from Ontario the growth of the load and the tremendous increase in productivity which has been brought about by cheap and abundant hydroelectric energy. I also do so to show hon. members who do not come from Ontario that it should be a primary function of every provincial government to endeavour to develop every waterpower resource it has, because with the addition of abundant and cheap electrical energy there is phenomenally increased production and population. In other words, it is largely upon electrical energy that the amazing prosperity of Canada has been built, and I hope this project, like the other, will be proceeded with as soon as possible.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

Sections 1 to 5 inclusive agreed to.

Title agreed to.

The Chairman: Shall I report the bill?

Mr. Knowles: What about the schedule?

Mr. Chevrier: Shall the schedule carry?

The Chairman: Shall the schedule carry?

Schedule agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time? Now?

Mr. Knowles: By leave.

Mr. Chevrier moved the third reading of the bill.

Bill read the third time and passed.

DOMINION ELECTIONS ACT

AMENDMENT RESPECTING ADVANCE POLLS AND PRISONERS OF WAR VOTING REGULATIONS

The house resumed, from Friday, November 30, consideration of the motion of Mr. Bradley that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Dominion Elections Act to implement the recommendations of the special committee appointed to study the Dominion Elections Act, 1938, embodied in the draft bill prepared by the said committee and *inter alia* to make provision for: (a) a greater number of advance polls; and (b) the Canadian prisoners of war voting regulations, 1951.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Diefenbaker: Possibly the minister would make a general statement so that hon. members who were not on the special committee may know the purposes of this resolution.

Mr. Harris (Grey-Bruce): After each general election the chief electoral officer is obliged to make a report to parliament on his experiences during the election, and also to suggest amendments to the elections act, having in mind those experiences. The chief electoral officer did make a report after the 1949 general election, which report was considered by a committee of this house which sat during the session in the first part of this year. A report was prepared and presented to the house, but not proceeded with in detail because of the lateness of the session. That committee was reconstituted at this session and the bill which had been prepared by the committee of last session was resubmitted, discussed in detail and reported to the house.

The bill which will follow this resolution is the same as the previous bill with the exception of a few minor changes which have been suggested by Justice for drafting purposes, and one exception which I shall mention in a minute. In general the bill covers the recommendations of the chief electoral officer, having in mind the improvement of the election laws. It includes quite a substantial revision of the regulations having to do with the taking of the service vote, particularly having in mind the experience of the 1949 election.

The only section in the bill which was not approved and forwarded to the house during the last session is the final one. This was the subject of some discussion by the hon. member for Temiscouata, and has to do with certain French translations. As I have said, otherwise the bill carries out the recommendations of the committee of last session as well as of the committee of this session. I do not recall that there was any particular objection to any of the features of the bill, though there may be some hon. members who think there should be other things in the bill that are not in it.

Mr. Diefenbaker: Has the minister an extra copy of the bill which will follow this resolution?

Mr. Harris (Grey-Bruce): I am sorry I have not, but I shall endeavour to get one.

Mr. Knowles: It is true that we do not have a copy of the bill, as this is only the resolution stage, but the committee submitted a draft bill which appears in *Votes and Proceedings* of Friday, November 16. May I ask the minister if the bill to be founded on this resolution is the same as that draft copy?

Mr. Harris (Grey-Bruce): Precisely.

Mr. Diefenbaker: Mr. Chairman, generally speaking there is no disagreement with what the minister has stated because that represents a factual outline. I should like to ask one question which has to do with the establishment of an advance poll at Wynyard, Saskatchewan. Some difficulty arose during the last election because no advance poll was provided in that area, where a great many railroad workers are located. Therefore I should like to ascertain where advance polls will be provided for in Saskatchewan. I do not know whether the minister has that information at the moment, and I think the difficulty has been remedied by this bill. If not it should be, because a large number of employees of the Canadian Pacific work out of Wynyard as a divisional point and an advance poll should be provided there. Something was done about providing an advance poll in the last election through the actions of the chief electoral officer, but I am not quite clear as to the circumstances that prevailed.

Mr. Harris (Grey-Bruce): My recollection is that the election act provides that the chief electoral officer may establish advance polls in certain places if certain conditions are met. A list of advance polls is not attached to this bill, but I shall be glad to give it to my hon. friend.

Mr. Murphy: I should like to make one observation with respect to this resolution. I notice from the proposed bill that the name is to be changed. I think I indicate the feeling of the people in many provinces,

perhaps the majority of people in the Dominion of Canada, when I say that I dislike the trend that has become apparent in the last few years to change everything that is seemingly offensive to the ears of some. That is noticeable in connection with certain legislation where the word "dominion" has been changed to "Canada".

When the fathers of confederation finally agreed upon a name for this country it was only after a great deal of thought and study. All through the years we have been in general quite satisfied. The leaders of those days were great statesmen, and I have often thought that if what was ordained at that time was good enough for the people and for those great leaders, it should still be good enough for most of the people in the Dominion of Canada.

Some few years ago the telephone books were changed, and just a few weeks ago the Dominion Lands Surveys Act was changed to read "Canada Lands Surveys Act". I am one of those in this house who oppose that trend, and I do not purport to be in the minority in this country. When this question arose in the committee there was some moderate debate. We knew that others would have an opportunity to make a statement when the resolution was presented, to indicate to the people of this country that there was resentment against that trend. I am satisfied that there is such resentment in all parts of Canada.

Resolution reported, read the second time and concurred in.

Mr. Harris (Grey-Bruce) thereupon moved for leave to introduce Bill No. 41, to amend the Dominion Elections Act, 1938, and to change its title to the Canada Elections Act.

Motion agreed to and bill read the first time.

NATIONAL GALLERY

INCREASE IN MEMBERSHIP OF BOARD OF TRUSTEES —EXPENDITURES—APPOINTMENT OF OFFICERS, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the national gallery of Canada to increase the number of members of the board of trustees; to provide that the board may enter into contracts and may dispose of property vested in the board; to provide for a national gallery purchase account and for a national gallery special operating account to meet the expenditures of the board; and to provide further for the appointment in accordance with the provisions of the Civil Service Act of the necessary officers, clerks and employees.

Mr. Green: Will the minister make a statement on this resolution?

Mr. Harris (Grey-Bruce): I would prefer to make a short statement in committee, if that would be acceptable.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Harris (Grey-Bruce): Mr. Chairman, in introducing this resolution to amend the National Gallery of Canada Act, may I recall that the national gallery, along with the Royal Canadian Academy of Arts, was established in 1880. For the first twenty-six years of its existence the national gallery made little progress; it had no permanent home, few pictures of any significance, no purchase grant and no qualified staff.

In 1907 the government of the day decided that art had an important place to play in Canadian life and in that year, by order in council, the government established the advisory arts council, composed of three leading citizens prominent in the art field of this country. The council was charged with the duty of advising the minister on all purchases for the national gallery, and on the construction of public monuments and the acquisition of other works of art for the government. The council fulfilled its duty well. A qualified curator was employed and the national gallery grew rapidly and soundly by the able handling of the modest grants made by parliament for purchases from year to year.

In 1913 the national gallery was incorporated by act of parliament. The advisory arts council became a board of trustees to manage and develop the national gallery under the supervision of the Minister of Public Works. The act of 1913 proved to be a very satisfactory piece of legislation and served its purpose acceptably for many years, during which time regional art galleries fostered by the national gallery were established in many parts of the country. During that time also the work of Canadian artists became widely and favourably known in most countries of the world, and Canadian public interest in the fine arts showed a most encouraging growth, as described in the report of the royal commission on national development in the arts, letters and sciences, popularly referred to as the Massey report.

During these thirty-eight years the national gallery, from a practically unknown institution, has come to be widely recognized, not only at home but also abroad, by reason of its unique extension service, which I believe is superior to that of any similar institution in the world. Its collections have been reviewed from time to time by some

of the world's best experts and it is agreed, I am informed, that they are among the finest of the smaller collections on this continent. These pictures are widely lent throughout the country under appropriate conditions, and it is expected that this extension work of the gallery will increase from year to year, as foreshadowed in the Massey report.

It is to implement some of the leading recommendations of that report that the present bill is being introduced. The new act preserves the substance of the act of 1913, with a number of important improvements. The board, which for many years was composed of three trustees, was in 1922 increased to five members, but may now, under the present bill, consist of from five to nine members, reflecting the country's wider interest in the institution.

A new section provides that the national gallery purchase grant will not lapse at the end of the fiscal year, but that purchase funds may be accumulated from year to year for important additions to the national collection. This provision will facilitate the work of the board, and put the national gallery more nearly on an equality with competing galleries. Section 4 (1) provides that appointments to the national gallery staff shall be made by the civil service commission, which has been the practice followed by the board for the past thirty years. Clause 3 (4) gives the board the power, with the approval of the minister, to sell, lease, exchange or otherwise dispose of any property which it is not considered desirable to retain in the national gallery.

The bill also makes provision for the design in industry section established on an experimental basis four years ago. This branch was formed to study the problems of industrial design with the objective of raising the design quality of Canadian manufactured products.

To sum up, this bill gives the national gallery greater opportunity to foster and encourage public interest in the fine and applied arts. I am sure the house would like this institution to be able to play an increasingly important role in our national life.

Mr. Macdonnell (Greenwood): Mr. Chairman, I should like to ask one or two questions and make one or two observations. Perhaps the minister will tell us a little more concerning what is meant by "entering into contracts", or perhaps that has no significance beyond what he has said already.

At a time when we are asked to concentrate so much on, and to make such ample material provisions for matters of defence, matters of social security and all the other matters which come before us and which are so pressing, it is perhaps difficult to convince ourselves that a matter of this kind, which cannot be assessed in any material terms, can be equally pressing. Yet I think a moment's reflection will enable us to realize that it is important. I suppose one of the things of which we are most constantly reminded is that, in this struggle in which we are engaged, it is not wholly a matter of material things; it is a matter of maintaining the whole fabric and quality of our civilization.

Even those of us who are less competent to express an expert opinion on the importance of art realize that our civilization is made up of things of that kind, things of the spirit. We do realize, too, that our whole civilization would be infinitely poorer if we did not have among us people who are devoting their lives to artistic pursuits, who know about them and who, so to speak, keep the flag flying in respect of those matters. Therefore I am quite sure we shall all welcome what the minister is saying to us, and we shall be anxious that proper steps be taken.

As the minister has already said, the Massey report has brought this and other kindred matters to our minds. However much we may be obsessed with the difficulties of finding money for the other things we are doing, I feel that we must not neglect these things. The more one looks about the more one realizes the many things that are pressing in on our civilization, and the more that some of the sanctions that supported our civilization decades ago are not so strong as they were. It seems to me, too, that we must realize that things such as those for which the national gallery stands must be supported in spite of all the other claims on our time and our purse. Those are all the remarks I desire to make, Mr. Chairman, but before I sit down I should like to ask the minister if he would answer my question as to whether the word "contracts" has any other significance.

Mr. Knight: Mr. Chairman, while art may be said to be international in its scope, and a great work of art may be said to belong to history, nevertheless increasingly there are individual artists who belong to Canada and who are finding in the Canadian scene much scope for their particular genius. There have come into being also, over the years, associations of creative artists and those who are interested in art. Thus it is a pleasure to note that in Canada we are making progress in a desired direction. It is not so long ago that one heard much talk of the inferiority

complex which bedevilled Canadians in the matter of the arts. In our writing and in our painting we were held, and with some justice, to be mere imitators, mostly of the European or of the British school. If that were once true, I think it is fair to say that it is true no longer; for in our literature and even more in our painting we are becoming more mature, and we are beginning to use art as an expression of Canadianism.

Sir, I know little about art; I am certainly no authority upon it. However, I know what pleases me; and I think that to please must be the first function of art anywhere. In so far as art brings pleasure to the Canadian public or opens up to the masses of our population new vistas of enjoyment—enjoyment which up to the present has been unknown to many of them—I think that art as such should be encouraged.

By reason of its introduction of this bill, it would appear that the Canadian government holds the same view. The very existence of this bill is an acknowledgment on the part of the government that art has become an important phase of our national life. I suppose one might synopsize the provisions of this bill by saying simply they strengthen the hand of the board of trustees of the national gallery of Canada. The bill provides for an increase in the number of members of the board to which I have referred. It provides for added staff which I think is necessary, and it gives the board authority for the making of expenditures which it deems necessary; to that end, funds will be placed at the board's disposal.

It is not my intention to discuss here this evening all the functions which the board is performing or the functions which it may perform with its facilities increased as they will be by the passage of this bill. But there is one principle I would lay down. Just as a taste for good literature is developed only by the reading of it, so does appreciation of art increase by the viewing of it; it can increase only in that way. If one grants that principle—and there will be few who will deny it—then the opportunity to view good pictures must be brought to the greatest possible number of people. That, increasingly, must be the chief task and the primary responsibility of this board. That undertaking involves a decentralization of activity. There must, of course, be some central source of that activity, namely a central national gallery. Ottawa, the capital of this country, seems to be the logical place for it. That is where it now is, although the present facilities are much too meagre, and the space is much too limited in what we now call the national gallery.

Such a central point is the natural home for our national collection of paintings; but there must be co-operation between the national gallery and local galleries throughout the country if the principle I have expounded is to be acted upon. From this central gallery there must go out collections which we may be fortunate enough to borrow from other countries abroad, and exhibitions of particular Canadian artists. I commend the board for having already made available to the public of Canada reproductions of great paintings at reasonable prices. I am thinking of the silkscreen prints—I think that is the technical name of them—for public buildings, schools, and other educational institutions throughout the country. These become a source of education in art appreciation, which in turn might become a stimulus and inspiration to artistic endeavour.

Governments are fond of telling us that in all things they must be practical. I am happy that this government and this intensely practical house should give at least transient attention to what are commonly called things cultural.

In this connection may I pay tribute to the Massey commission for its stupendous accomplishment towards encouragement of the arts. The report of that commission has met with a fine response throughout this whole country, and has aroused wide interest among the Canadian people. I have not yet had time to read what it recommends in the matter of a national gallery, but from a study of other parts of the report in which I was greatly interested, I can anticipate with confidence the soundness of those recommendations.

We are pleased to support this bill as a group, and are pleased to endorse the request of the board and other interested organizations for a new and satisfying national gallery. We in this C.C.F. group, and particularly our leader, the hon. member for Rosetown-Biggar, have on many occasions espoused the cause of the arts. We have not only advocated for Ottawa a great national gallery worthy of this nation, of which we now have only a mere imitation; we have been even more urgent and persistent in our request for a national library of which we have not yet a semblance.

Sir, I think it can be said that we in this country have reached the end of the pioneer stage. Canada has grown up. Canada is a

great and wealthy nation. The needs of the body—if I may think of the matter in human terms—have become satisfied. Let us now reach out for the things of the mind and spirit. May I once more—I have done it before—cite the quotation from St. Augustine which adorns one of the front pages of the fine report to which I have referred:

A nation is an association of reasonable beings united in a peaceful sharing of the things they cherish; therefore, to determine the quality of a nation, you must consider what those things are.

May it be said of this nation in days to come, when history will have had an opportunity to estimate her quality, that she chose early to cherish the right things, the things which make a nation truly great.

We support the resolution with the greatest of pleasure.

Mr. Adamson: Mr. Chairman, what I have to say will take only a few minutes. The first thing I want to say is that I hope the minister will do everything possible—and this bill gives me the opportunity to say it—to relieve the congestion in the national museum where the art gallery is housed. I agree with him that the art gallery does contain a small but worth-while collection. A great part of it, though, is stored in cases underground. There are some very valuable objects in the museum which never are seen by the public, which are stored in the cellars and in many other places, I understand, in Ottawa. The overcrowding of that building is simply scandalous, and I hope that immediate steps will be taken to do two things. The first thing—I speak here as a mining engineer—is to do something about the proper housing of the geological survey, which is taking a tremendous amount of space in that building. It is not a proper place for the geological survey. They are taking up space that should be given to the scientific work of the museum. I say this because I had several people working in the museum complain to me last year about it.

We want to see the collections we have. Let us not bury them. That is the first thing. The second thing is this. We regard ourselves in Canada, and take much pleasure in considering ourselves, as Philistines. We say we have not much art. We rather think of ourselves as rough-hewn pioneers and that sort of thing. It may interest the committee to know that the famous collection from the Kunsthistorische (art history) museum in Vienna, known on tour as the Hapsburg treasures, showed a profit only in the city of Toronto. The only city on the entire continent of North America where sufficient people showed interest to make the exhibit a profitable and paying venture was Toronto. The other cities across this country, including the main cities in the United States, did not show the same interest as was shown in Toronto. That is something which shows the general interest in art amongst the people of Canada, and belies the happy Philistine idea which we endeavour to cherish amongst ourselves so much.

Resolution reported, read the second time and concurred in.

Mr. Harris (Grey-Bruce) thereupon moved for leave to introduce Bill No. 42, respecting the National Gallery of Canada.

Motion agreed to and bill read the first time.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CANADIAN FORCES ACT

TO PROVIDE FOR COMPENSATION, PENSIONS, ETC.

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate agrees to the amendment made by the House of Commons to the sixteenth amendment made by the Senate to Bill No. 21, respecting the Canadian forces.

CONCURRENCE IN SENATE AMENDMENT

Hon. Alphonse Fournier (for the Minister of National Defence) moved:

That this sixteenth amendment, as amended, be now concurred in; and that a message be sent to the Senate to acquaint Their Honours thereof.

Mr. Knowles: Is it all straightened out now?

Motion agreed to.

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

The house resumed from Tuesday, December 4, consideration in committee of the following resolution—Mr. Bradley—Mr. Dion in the chair:

That it is expedient to present a measure to amend the Civil Service Act in respect of the tenure of office and salaries of the commissioners.

Mr. Knowles: Who is the Acting Secretary of State?

Mr. Fournier, Hull (for Mr. Bradley): Mr. Chairman, I shall try to handle this resolution to the best of my ability.

Mr. Knowles: It is good to know that this function has been added to the many duties of the Minister of Public Works. As the minister knows, in the light of such information as the house was able to get at an earlier stage, some of us on this side found ourselves opposed to the measure forecast by this resolution.

As we understand the measure, it is proposed to take out of the statute setting up the civil service commission any reference to the amount of salary to be paid to the civil service commissioners. Rather, it is planned that their salaries from here on will be fixed by order in council. We are opposed to that move, and we signified our opposition by voting against the motion that Mr. Speaker do leave the chair for the house to resolve itself into committee of the whole on this resolution.

I wish to repeat that I was quite disappointed at the proposal as outlined to us by the Secretary of State. It was a surprise to us. We understood, from the wording of the resolution now before us, that it was a very simple proposal relating to the tenure of office and the salaries of the commissioners. I, for one, thought all that would be proposed would be that the Auditor General's recommendation would be carried out, and that the entire salary of each commissioner would be spelled out in the statute rather than having part of it in the statute and part of it in the annual estimates. However, when we had a brief statement from the Secretary of State it turned out that such was not the intention. Rather it is proposed to take this fixing of the salaries of civil service commissioners away from parliament altogether.

I think it is quite clear that the civil service commissioners should stand in the same relationship to parliament as does the Auditor General and also the chief electoral officer. In respect of each of these other officials it is clearly recognized that they are responsible to parliament, not to the government. They are appointed under that interesting piece of machinery known as the great seal; and they are officers of the whole of parliament rather than officials of the government. The civil service commissioners are not appointed in the same way; but the whole theory of the civil service commission is that government positions should be removed as far as possible from political control. That is a battle that was fought and won many years ago. I think it is an integral part of that situation that the salaries of the civil service commissioners should be fixed not by the government, not by order in council but by parliament.

As I have already indicated, I feel that their relationship to us should be the same as that of the other two top-ranking officials I have mentioned. I note that the salary of the Auditor General is fixed by chapter 27 of the Statutes of 1931. The whole of the salary he gets is the salary set out in and determined by that statute.

Mr. Fournier (Hull): What is the amount of the salary?

Mr. Knowles: It is $15,000.

Mr. Fournier (Hull): That is 1931. That salary was fixed by statute in 1931.

Mr. Knowles: Well, is it not still the same salary that was fixed by statute? Although I have looked at it fairly closely, for all I know it may be that in the financial administration act there is some provision to change the salary of the Auditor General. If it is being changed in that way, then at least that is the proper way to change it.

I was about to point out that the salary of the chief electoral officer is also fixed by statute, namely chapter 46 of the statutes of 1938, as amended. And, to anticipate the question of the Minister of Public Works, I may say that his salary is $10,000 a year.

Up to the present time the principle that the salary of the civil service commissioners should be set by statute has been recognized by the fact that their salaries were fixed by chapter 53 of the statutes of 1947. Apparently the government has taken the view for a number of years that the salaries fixed for the commissioners by that statute were not sufficient. So for a number of years they have had a special estimate providing for a supplement of $2,000 a year. As I have already said, the Auditor General has commented unfavourably on the practice of continuing to pay supplements in respect of salaries in that way, and has suggested that the appropriate statute should be amended. But instead of taking the Auditor General's advice, which has been advocated from the floor of the house many times, the government is taking this further step of taking away from parliament altogether the fixing of the salaries of the civil service commissioners.

Let me point out that the issue here is not the amount of the salaries of the civil service commissioners. It may be that their salaries are not high enough. It may be that a case can be made to increase them. It may be that that is the desire of the government. But I contend that if it is the intention of the government to increase their salaries at this time, it should be done by amending the act accordingly, and it should be left so that any further changes in their salaries would be made in the same way, by a proper parliamentary statute.

I insist that the civil service commissioners should be on the same basis as the Auditor General and the chief electoral officer. For that reason I am opposed to the resolution.

Mr. Macdonnell (Greenwood): Mr. Chairman, I should like to associate myself with what has been said by the hon. member for Winnipeg North Centre. I should like to ask the minister if we may at least have some suggested reason why this is being done. So far as I can recall, it did not seem very clear whether we had ever convinced the Secretary of State that there was any need to give a reason. Perhaps we may be able to convince the genial Minister of Public Works that we are at least entitled to a reason. I should like to emphasize what has been said by the hon. member who preceded me, namely that I would have thought this was one of the worst places to begin to chisel a little—we are getting used to it, but every now and then we rebel—at the rights of parliament and to aggrandize the executive just that much more at our expense. The reason I think this is about the very worst place to begin is, as has already been said, that surely the civil service commissioners should have for the discharge of their duties the greatest possible independence. How else they can get that except from a statute under the authority of parliament I do not know.

I think the two illustrations that have been given are admirable, the Auditor General and the chief electoral officer; and it certainly will be very hard to satisfy me, and I hope a lot of people in this house, that there can be any reason for this proposed method of dealing with the position of the civil service commissioners. Surely it is tampering with their position. Nobody can doubt that. It means that now, like so many other people, they are going to be dependent upon the good will of the government. We do not always rate that very highly on this side of the house.

Mr. Knowles: We could also add the board of transport commissioners as an example.

Mr. Macdonnell (Greenwood): Therefore I suggest to the minister that at the very least we should have what we have not had yet, a suggestion of a reason for what is proposed to be done.

Mr. Fournier (Hull): I believe that on December 4 I certainly made a blunder by informing the house of the contents of the bill. That is due to my inexperience, but I thought that by giving details I would get the resolution through. However, I have lost that illusion because we had a vote on the question and I realized that we were not voting on the principle of the resolution but were only trying to stop Mr. Speaker from leaving the chair. The motion was that Mr. Speaker leave the chair for the house to consider the resolution in committee. Some members did not even want Mr. Speaker to leave the chair for the chairman to read the resolution in committee so that we might consider it.

Where my hon. friends are making a mistake is that they believe that increases or decreases in the salaries of the commissioners would make them more dependent. I think too highly of the three civil service commissioners to believe that an increase or decrease in their salaries would affect their sense of justice and fairness, and that they would not apply the provisions of the law as well if in 1931 they had been voted by parliament a salary fixed for all time to come.

Mr. Macdonnell (Greenwood): That is not a reason; that is just a collateral circumstance.

Mr. Fournier (Hull): Perhaps my reasons do not appeal to the hon. gentleman, but I know they appeal even to the members of the civil service commission. There are two phases of the bill. In the first place we are trying to avoid compulsory retirement for them at age 65. That is the first part of the bill. We wish to have the power to extend the tenure of the chairman and commissioners. I do not think the house would object to that feature of the bill. It is being done for a good many civil servants.

Mr. Macdonnell (Greenwood): That is another matter. You are not giving us the reason.

Mr. Fournier (Hull): If you will permit the bill to come before the house you will be able to read it, and you will see it is right in the bill. I know if I discuss the bill at this stage it will take me longer to get the resolution through, but I think in all fairness I should point out that the bill is divided in two parts. One deals with tenure of office. The situation is that when a commissioner reaches the age of 65 we are barred from extending his term of office, and under the bill we are providing that we may increase the number of years that a commissioner may remain a member of the civil service commission. We could not do that if we had to use the method of voting money by estimates. The idea really came from the report of the Auditor General to the effect that instead of having an estimate, which is repugnant to certain members of the house, we should seek authority to increase their salaries.

Mr. Knowles: That is not what the Auditor General recommended.

Mr. Fournier (Hull): The Auditor General does not like legislation by appropriations or estimates. That is what he says. By passing this bill we will avoid that.

Mr. Knowles: Oh, no; the Auditor General said: Do not do it by putting items in the estimates; do it by putting it in the statute.

Mr. Fournier (Hull): The Auditor General did not say that.

Mr. Knowles: As the resolution was explained by the Secretary of State, it is not to be put in the statute at all. It is to be turned over to the governor in council.

Mr. Fournier (Hull): I hope I can go ahead now. We had the thought that, instead of introducing an estimate which nobody would discuss in the house when it came up, we would introduce a bill and have the matter aired before the members of the house. We do not ask every member to agree with the proposals of the government, but we have given a lot of study to this matter.

Mr. Macdonnell (Greenwood): Who?

Mr. Fournier (Hull): If you look at the present statute you will see, so far as the first point I was dealing with is concerned, that when the commissioners reach the age of 65 they are out. The present commissioners are men of experience. They are known for their competence and fairness and for following the provisions of the law as to the merit system. We thought we were fortunate in having such men, and we would like to extend the terms of office of some of them at least beyond the age of 65. I do not believe my hon. friend is an old man or is incapable because he has reached that age, and these commissioners are in the same position. I like to see my old friends in the opposition come back here even if they are more than 65 because they are sometimes useful to their country, their party, and not often to the government except that sometimes by accident they do help us.

As to the question of fixing the salaries, I understand that the opposition would like to see the commissioners put in the same position as the Auditor General or the chief electoral officer who are appointed by vote of the house. There may be some good reasons for appointing the three commissioners by vote of the house and having them responsible only to parliament.

Mr. Macdonnell (Greenwood): You are talking about salaries now. Do not twist the argument.

Mr. Fournier (Hull): There may be some reason for that, but both parties have been in power and have held famous investigations by committees of the house, and at no time was it recommended that the commissioners be appointed in that manner. All these committees made very complete reports on the civil service, but on the question of the appointment of the commissioners it was understood that they would be appointed for a term by the governor general in council during good behaviour. That is where their independence comes into the situation. I really cannot understand the argument of both my hon. friends when they say that because the governor in council would fix the salary these people would lose that quality of independence and knowledge and would be thinking every day: We will not get the same increase as deputy ministers or high officials of the government whose salaries are fixed by the governor in council. I think very highly of our commissioners. I think they are public spirited, and I do not think the arguments my hon. friends have brought forward would affect their decisions in the administration of the civil service commission. At this time the government does not agree that these gentlemen should be appointed by parliament, but believes that they should be appointed by the governor general in council. In the past their salaries were fixed by statute, and that practice continued for thirty years before anyone mustered up sufficient courage to bring in a bill to increase their salaries, which in many quarters were thought to be rather high.

In order to be fair and just to these commissioners we placed an item in the estimates some years ago providing for an additional $2,000. The statute provides that the chairman shall receive $10,000 a year and each of the commissioners $8,000. At the time the statute was passed those salaries were comparable to the salaries paid to other civil servants occupying a like position, but today they are not. That is why we thought in all fairness we should have the item in the estimates. Today the chairman receives $12,000 and the commissioners, $10,000.

Since the item was first included in the estimates other officials occupying comparable positions have received increases. If the salaries were fixed today by statute it might happen that in six months the statute would be outmoded. We are simply trying to be fair to these gentlemen. I submit that we should either pass this resolution or vote on the principle of whether these gentlemen should be appointed by parliament or by the governor in council. It is the policy of the government to have the appointments made by the governor in council.

Mr. Harkness: A few minutes ago the minister suggested that the idea of looking after this matter by way of estimates was

repugnant to a number of hon. members. I should like to know who those hon. members are.

Mr. Fournier (Hull): I would not like to name names, but if the hon. member had attended in the house as I have he would be able to pick out members who do not like the fixing of salaries by special estimates which amount to legislation.

Mr. Knowles: I would be glad to answer the hon. member for Calgary East. It is repugnant to me and to the Auditor General.

Mr. Blackmore: I should like to express complete approval of the action being taken by the minister to continue the service of these men. I have always looked upon it as being rather foolish to think we have to dismiss a man when he reaches 65 years of age. However, I am not quite satisfied that the determination of these salaries should be in the hands of the governor in council. Is it the desire of the government that they be able to increase the salaries of the civil service commissioners without reference to parliament?

Mr. Fournier (Hull): When the cost of living increased and it was thought that the salaries of the civil servants should be increased, general approval was expressed in the house for these increases. But it was found that nothing could be done for the civil service commissioners because their salaries had been fixed by statute some years ago. We then brought in a special item in the estimates increasing those salaries by $2,000. Since that date other civil servants occupying comparable positions have received further increases. All we are seeking to do is what is done in the case of deputy ministers, many of whom receive far more by way of salary.

Mr. Macdonnell (Greenwood): I should like to set the minister straight on one point. I do not think anyone has suggested that these commissioners should be appointed by parliament.

Mr. Fournier (Hull): The hon. member for Winnipeg North Centre suggested that.

Mr. Macdonnell (Greenwood): The suggestion was that their salaries should be fixed by parliament. I would point out that no one has ever suggested that parliament should appoint judges, but we do fix their salaries.

Mr. Fournier (Hull): It has been argued that it would affect the independence of these gentlemen if the governor in council fixed their salaries, but I argued that I did not think a man occupying the position of chairman or commissioner of the civil service commission would be affected by having his salary fixed, either by parliament or by the governor in council.

Mr. Macdonnell (Greenwood): The minister seems to be trying to put us in the position of having criticized the civil service commission. There was nothing of that nature in our minds. I think the minister and any other reasonable man must admit that their positions would be that much more independent if their salaries were not fixed by the cabinet.

Mr. MacInnis: I think the government by introducing this amendment to the Civil Service Act is taking a retrograde step. Even if it does not affect the freedom of action of the civil service commissioners, I think it is wrong psychologically to put them under the governor in council. If the term of one of the commissioners has ended after serving ten years, the act could be amended to provide, as is provided in other acts, that he can be appointed for a further term. The appointment is completely within the jurisdiction of the governor in council at the present time and it would not be necessary to amend the act.

Regardless of how the salaries of the deputy ministers and others are fixed, I think it would be far better that these salaries should be treated like the salaries of judges. They should be set by statute, and when increases have to be made they could be made by amending the statute. I regret very much that the government has decided to do something which is not necessary in order to accomplish what they say they want to accomplish.

The Chairman: Shall I report the resolution?

Mr. Knowles: On division.

Resolution reported on division, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Bradley) thereupon moved for leave to introduce Bill No. 43, to amend the Civil Service Act.

Motion agreed to and bill read the first time.

CANADIAN BROADCASTING ACT

AMENDMENT TO INCREASE NUMBER OF GOVERNORS, PROVIDE PENSIONS AND FURTHER GRANTS

Hon. J. J. McCann (Minister of National Revenue) moved that the house go into committee to consider Bill No. 17, to amend the Canadian Broadcasting Act, 1936.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

On section 1—*"Minister"*.

Mr. Fleming: Mr. Chairman, as the house is aware, since this bill was given second reading it has been reviewed by the special committee of the house on radio broadcasting. As tonight the house will be reviewing the bill, it may be that the discussion will be somewhat broken up in order to relate it to the particular sections. At the outset, Mr. Chairman, I might say that the special committee has completed its public sittings but has not yet written its report, so the discussion tonight is necessarily in advance of the writing of the report, let alone its tabling in the house. However, having regard to the rather advanced stage of this session, I suppose it will be too much to expect that there will be an opportunity for discussing the report of the special committee when it is tabled.

I feel it is unfortunate that the bill should be before the house before we actually have the report of the special committee. I am sure we would have had a more concentrated and more helpful discussion if the house had the advantage of having before it the report of the special committee.

May I say this in general about the meetings of the committee. I think all members who were present will agree that the meetings were instructive. We had the assistance of the senior officials of the Canadian Broadcasting Corporation, and questioned them freely. They gave us a good deal of information. The committee also had assistance from representatives of the Canadian association of broadcasters, representing the great majority of the private broadcasting stations in Canada. They gave their views on a broad range of subjects, and were very appropriately thanked by the committee for their helpful presentation. The committee also spent a day in Montreal examining the Radio Canada building, and seeing some demonstrations of television which were indeed interesting to all members present. In other words, the sittings of the committee, Mr. Chairman, were helpful to all concerned, and I think the committee has performed a service to the house and to the country.

The relationships between this committee and the officials of the Canadian Broadcasting Corporation have always been very cordial. Even those who disagreed with the policy of the broadcasting corporation on some of the matters in which policy has played a leading part have always been glad and happy in the association of the committee and those senior officials.

The subject of programs did provide a source of some agitation in the committee meetings this year. I do not want to discuss that subject in detail in advance of the writing of the committee's report. I believe the report may have something to say on that subject this year. But I feel that all hon. members of this house should do two things in expressing their views on the subject of programs. First of all we should vindicate the principle of freedom of expression. Some representations are being made through the mails these days to members of the house that seem to suggest some people are becoming very panicky, and believe there is some effort afoot to interfere with legitimate freedom of expression on the air. I do not believe anyone in this house is going to suggest there should be any tampering or interference with the established principle of freedom of expression. On the other hand, as applied to this vitally important means of communication, we must have regard at all times, and particularly when the control of radio broadcasting in Canada is vested in a publicly owned and appointed board of governors, to the necessity of providing balance in the presentation of points of view.

Much of the criticism that has been levelled at certain programs of the Canadian Broadcasting Corporation might well have been avoided if the corporation, instead of making a series of broadcasts by persons having a particular point of view, had sought at the same time to provide balance in the presentation of that point of view by giving equal opportunity on the same series to those who had a different point of view to express. It seems to me that those who are charged under the present set-up with the control of broadcasting in Canada, not only on the channels occupied by the Canadian Broadcasting Corporation but on others which are after all under residual control of that corporation, should take great care to see that due respect is paid to the fundamental convictions of the people of this country. We heard that certain programs offended the religious sensibilities of people in Canada. We heard criticism of other programs because in a political sense they leaned too much to one particular point of view.

Recognizing the difficulty, and asserting at all times that the principle of freedom must be vindicated, we must nevertheless insist, in the first place, that anything in the nature of unnecessary offence to the religious and moral convictions of the people of the country must be avoided, and in the matter of programs having a political flavour, or news commentators and political commentators, a balance must be preserved. There is one situation that has been discussed more than once—I mention this because it struck some of us very

forcibly at the time—concerning the series of political commentators under the title "Capital Report". When it came to totalling the number of those who participated in that particular series, that element of balance was not found present which the board of governors subscribes to, we are told, as a principle. There was criticism of this series which I for one voiced in the committee because those participating in it were, on the whole, leftist in their tendencies. That was the flavour of the reports. When we came to get the figures of those participating we found that out of 41 broadcasts in that series 28 had been delivered by one individual, Matthew Halton. Mr. Halton is an accomplished commentator; but in the opinion of most people I think his political views and comments are somewhat left of centre. When we come to examine the the other participants in that series, thinking in terms of balance, we find that Mr. Robert McKenzie had two; Milton Shulman, 3; Elmore Philpott, 3; Herbert Steinhouse, 3; Gerard Fay, 1; Jon Kimche, 1; Andrew Cowan, 1; Douglas Lachance, 1; Peter Stursberg, 1. When that matter was brought directly to the attention of the chairman of the Canadian Broadcasting Corporation he readily agreed that it did not represent balance in a series where the point of view of the commentator is of no little importance. I am glad to say the chairman said that the unbalance in that particular series would be redressed.

I do not propose to repeat what was said three weeks ago in the debate on second reading of this bill. The subject of the fundamental method of control of radio broadcasting in Canada has been before the house on more than one occasion. This bill does not present an opportunity of seeking a test of opinion in the house on that subject because there is no one section that provides a vehicle for testing that opinion thereon. One must therefore content oneself at this stage with one or two general observations.

The Canadian Broadcasting Corporation strongly supports the present system of broadcasting in Canada, under which control of all broadcasting is vested in the board of governors. The Canadian association of broadcasters, on the other hand, took the position that there should be an independent regulatory tribunal which would have controlling powers so far as may be necessary to preserve freedom on the airwaves. Their contention was that there is no necessity for the Canadian Broadcasting Corporation to sit in judgment upon them.

We must never lose sight of the fact that radio broadcasting has become a highly competitive business. We have an abundance of evidence to show that as between private broadcasting stations in similar localities or in the same localities competition is exceedingly keen. As between private stations on the one hand and the Canadian Broadcasting Corporation on the other, competition operates so far as is permitted by the corporation, and that competition is keen. The problem therefore is inescapable: is it right and fair that in that area in which keen competition exists, the system of control and regulation should be such that one of the competitors exercises control over the whole field, including its competitors? That is the problem.

To meet that problem Dr. Arthur Surveyer, one of the members of the Massey commission, put forward some concrete proposals which I am bound to say commend themselves strongly to some of us. They are not exactly the views put forward on that subject by the Canadian association of broadcasters, but Dr. Surveyer put forward on that subject views which I wish there were an opportunity of testing effectively in the house, so hon. members might determine whether the house can disregard those views and pass them by. His view was that the Canadian Broadcasting Corporation should carry on as an operating body, that the board of governors should be reduced in size, and that there should be established by act of parliament a separate tribunal which would exercise regulatory power over the Canadian Broadcasting Corporation and the private stations alike, in so far as regulation may be necessary. As the matter of the licensing of stations is extremely important, it would necessarily follow that the body to advise the Minister of Transport, who issues the licenses for transmitting stations, should not be the Canadian Broadcasting Corporation but should be this independent regulatory body.

We have not before us the report of the committee. We simply have those two points of view put before the committee. While they do not exactly correspond to the majority and minority reports of the Massey commission, nevertheless there is some resemblance to those reports in the views expressed on the one hand, by the Canadian Broadcasting Corporation officials and, on the other hand, by the representatives of the Canadian association of broadcasters. For my own part, Mr. Chairman, I wish to express clearly my view that the recommendations of the minority report of Dr. Arthur Surveyer, a Montreal engineer of high distinction, contain a sensible proposal for handling this problem of the regulation of broadcasting in Canada.

Then, sir, there is one other subject, namely television, which I should like to mention on this opening section. What I have to say with regard to the method of financing the operations of the Canadian Broadcasting Corporation I shall reserve for section 6 of the bill. The subject of television is of striking importance. We are told that there are some 60,000 television receiving sets in Canada. These receiving sets are today receiving United States programs. They are located within reach of the border. There is today no Canadian television. Why is there not? The answer is that it was policy on the part of the government—policy which agreed with the views of the Canadian Broadcasting Corporation—that there should not be Canadian television hitherto. On the one hand, when private applicants came forward and, as long ago as early 1948, made application for television licenses, those applications were simply held in a state of suspense. There are four such applications pending for two available channels in Toronto. There are two applications pending for three available channels in Montreal. There are applications pending in Hamilton, Winnipeg, New Westminster and several other Canadian cities. With the exception of one application from Hamilton which was dismissed, the others, for periods running up to almost four years, have been held simply in a state of suspense. Why? Because it was government policy, as well as policy of the board of governors of the corporation, that no private television be hitherto permitted in Canada.

What has the corporation done as regards television itself? Well, after a slow start, for which I think the government is principally responsible rather than the corporation, the corporation has been pressing its efforts to provide television over two channels assigned to them, one in Toronto and one in Montreal. When the committee of the 1950 session reviewed this matter, it was told by the officials of the corporation it was their hope and expectation that television programs would be available from these two stations by September last. It is a matter of disappointment to all concerned, including the officials of the Canadian Broadcasting Corporation, that shortages of materials and delays arising out of that fact have defeated that hope. Now the earliest date by which the officials of the corporation hold out any hope of television over these two stations is the summer of 1952, and apparently there is some uncertainty as to whether television may be expected even then.

The first stage of development contemplates that television will be provided over these two stations. There will in time be connections between Toronto and Montreal. There will be a network; there will be provision for relays and kinescope recordings, and efforts of that kind. The whole undertaking in this first stage will cost approximately $5,225,000, and will require at least a couple of years to complete.

What of the other areas in Canada which are unquestionably just as anxious to have Canadian television programs made available to them as the more fortunate people of Montreal and Toronto? That depends on the second stage of development, Mr. Chairman. Some effort will be made in the first stage to provide by kinescope recordings television in some of the other principal cities. For transmission of television from stations in those other principal cities in Canada they may have to wait for some considerable time, and the cost is going to be very great. We were told in the committee on Monday that the cost to complete this second stage may well run to something like $15 million; and there will be required, in addition to what has now been provided by parliament over and above commercial revenues from the sale of sponsored programs, $10 million during the first four years of operation.

Now, sir, these are the plans of the national system. I have indicated that the government is to be held responsible for the fact that these plans have been held back, and that today we are still without Canadian television in this country. One does not underestimate the difficulties. This is a new field, and I want to be quite fair in my approach to it. There are very great difficulties involved in television, in launching this new form of communication.

The plans of the corporation do not contemplate, even at the beginning, operations for more than perhaps three hours a day on these two stations. It will take a good deal of time to develop programs, to develop engineering and program techniques, to the point where Canadians will be able to have sustained enjoyment of television programs. In the face of all that, and the responsibility the government must bear for holding back the development of television under other auspices, as well as delay in the early stages of the development of television by the Canadian Broadcasting Corporation itself, one asks how the government hopes to justify denying entry into this field to those who are quite prepared to come in and take their chances.

It is not enough, surely, for the government to take a paternalistic attitude and

say: Well, we do not want to see you risk your money. These people are quite prepared to come in and run the risks—and they are very great risks—of losing money in the early stages of television. The Canadian Broadcasting Corporation expects in the early stages of its operations to incur substantial expenditures; and those who made application for television licences well knew that for a period of time they might incur very heavy losses. But, sir, they were quite prepared to do it. In the face of their willingness to pioneer in this field, to take their chances and provide programs, it was the policy of this government to close and bolt the door, and to deny to any private interests any opportunity of entry into this field. What is the result? These dozen or more applications are still in a state of suspense.

The majority on the Massey commission made some recommendations on this subject that I for one cannot support. At page 303 they set forth this, among other recommendations:

> c. That no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programs and that all private stations be required to serve as outlets for national programs.

That recommendation, literally applied, will mean that until the Canadian Broadcasting Corporation has brought into effect stage one of its television plans, which will not even commence until at least next summer, no consideration will be given to any of these applications for television licences. They are still to be left in a state of suspense. Moreover, sir, let me remind you that the opening of broadcasting from Toronto and Montreal simply marks the opening of stage one of the television plans of the corporation, and it may be another couple of years before stage one is fully put into operation by the Canadian Broadcasting Corporation. That leaves us with this unhappy consequence: that apparently it will be two or three years before any consideration is to be given these pending applications. In the meantime the door is closed to anybody else in Canada wanting to enter this field. It means that because the Canadian Broadcasting Corporation is encountering delays—there are shortages of different kinds now and their plans will have to be proceeded with under the limitations of finance—Canadians are not going to have much television in this country for at least several years to come, and they will not have television on any very substantial scale for apparently a great many years to come. And this is government policy.

It is the government that, through the Minister of Transport, issues the licences. The Canadian Broadcasting Corporation advises the minister with regard to the issuance of those licences. The policy in these matters or views on policy are shared by the government and the board of governors of the corporation. Apparently they see eye to eye, and I for one say it is most regrettable that Canadians are to be denied television.

Let us not be turned aside, sir, by any talk about undue commercialism or an excess of United States content in these programs, because, sir, the content of programs is still subject to the regulatory powers of the Canadian Broadcasting Corporation. No one has ever suggested in this House of Commons, so far as I am aware, that there should not be regulation exercised over television, as over sound broadcasting. There is going to be some form of regulation, whether it be carried on by the Canadian Broadcasting Corporation or by some independent regulatory board or tribunal. Therefore that regulatory tribunal, whatever it may be—and under the present system it would be the Canadian Broadcasting Corporation itself—would have ample power to see that there is not an undue commercial content in any television programs sent out from private stations, and also that there was not any undue American content. All of us want to see as high a content of Canadian broadcasting in Canadian television as may be in keeping with good programs. It will take time to develop Canadian television talent and Canadian television techniques. But valuable time is being lost and unfairness is being perpetrated by the government, not simply on people who are applying for licences but upon the people who want to receive television.

Meantime, because of the concentration of television in these two major urban centres in Canada, Montreal and Toronto, the benefits of television, in so far as it is developed, are going to be enjoyed largely by the residents of these two great urban centres.

The government has not yet told us very much about how television is to be financed. The chairman of the board of the Canadian Broadcasting Corporation indicated in his evidence last Monday that a receiving licence fee of $15 is probably going to be required, to make up the very large gap between revenues and expenditures of the corporation in television. Already the house has authorized substantial loans to the Canadian Broadcasting Corporation for the development of television. Speaking from memory, these loans already aggregate $4,500,000. I think it will be a matter of concern to all members that, when these substantial expenditures have been authorized out of public

moneys, the benefits of television in Canada should be as widely diffused as possible. It seems to me that that healthy diffusion of the benefits of television will be defeated by this policy of concentrating the development of television exclusively in the hands of the Canadian Broadcasting Corporation, and denying to all others any opportunity of participating in that development.

These are only a few of the matters which have come before the committee. I wish it were possible for the opinion of the house to be tested on those two very important subjects which I have sought to discuss tonight. The first of these is: What type of regulatory machinery should be set up in Canada? Should it be an independent body standing apart from both the Canadian Broadcasting Corporation and its competitors among the private stations; or should it be the Canadian Broadcasting Corporation itself which, to a large extent, is a competitor of many of these private stations?

The other question is this: Should the development of television be hampered in the way the government is hampering it today? Why should not Canadians be permitted by the government to enjoy the benefits of television? There should be an opportunity of testing the opinion of the house with regard to that government policy. Unfortunately this bill does not offer adequate opportunity in that regard. But some day, and I hope before long, I am sure an effective opportunity will be given to the Canadian parliament to express its verdict upon that barren, negative government policy.

Mr. Coldwell: Mr. Chairman, I should like to join the hon. member for Eglinton in saying how enjoyable the meetings of the radio committee have been, not only this year but in former years, and how we have appreciated the information and advice we received in that committee from the Canadian Broadcasting Corporation and, indeed, through the representations from time to time of the Canadian association of broadcasters, representing many of the private stations.

As one who has served on that committee almost continuously—with the exception of two—I have been interested to see how, bit by bit, the original intention of the Canadian Broadcasting Corporation has been set aside, and to a large extent the authority of government bodies, both the Department of Transport and the Canadian Broadcasting Corporation, reduced.

Those of us who have been familiar for a number of years with broadcasting in this country will well recollect the establishment of the Aird commission, and we will recall what the Aird commission recommended, because of the chaotic and unsatisfactory condition of broadcasting in Canada. The Aird commission recommended that we should have a completely government owned and controlled broadcasting system, that the private stations that existed at the time of the passing of the act which established the original Canadian Broadcasting Commission should be expropriated, and that we should have only a dominion-wide government owned publicly controlled broadcasting system in this country. That was the idea Right Hon. R. B. Bennett had when he introduced the first act governing broadcasting in Canada. I am not going to quote Mr. Bennett at this time; but when I look back over the years and recollect the warnings he gave the house, both when that act was passed and when the new act was passed in 1936, I believe it was, I realize how far-sighted he was in his prognostications of what might happen in the future.

No government we have had in Canada, whether Conservative or Liberal, since the first broadcasting legislation was introduced in 1932, has sought to change the original conception. That original conception was that, because of the peculiar nature of the country, because of its great distances, because of the scattered population, because we have two great peoples with different cultural origins, the only manner in which we could have a satisfactory system of broadcasting was to have one owned and controlled by the people through their government, and operated by a corporation set up by and operating under a statute of parliament And in 1936, when the present Minister of Trade and Commerce (Mr. Howe) was piloting through the house a new act, he said this:

> Radio broadcasting in Canada has been studied by one royal commission and three parliamentary committees,—

That was before 1936.

> —and these four reports agree on the broad principles that must govern us. That is to say, the aim of broadcasting should be complete coverage by government facilities and the present situation demands complete control over all forms of broadcasting whether public or private. These conditions are being maintained in the present bill.

Apparently the private broadcasters accepted that situation, until they made their recent representations. In those recent representations they have gone far beyond anything they ever asked before. What they actually asked for this time was the repeal of the acts as we understand and know them,

the setting aside of the very basis of broadcasting in this country as we have known it hitherto. In their brief they said this:

> We believe that regulations applied to broadcasting should be for only the required technical purposes so that order may be maintained on the airwaves, and that broadcasting should not be subjected to controls which do not apply to any other form of mass communication.

In other words all that this house could do, and I presume the Department of Transport under the act, would be to see to it that the airwaves were properly apportioned, that interference was looked after and all that kind of thing, and that the private stations should be in the same position as are the newspapers of Canada. What they forget of course is that they are in a different position to the newspapers of Canada because they are occupying publicly owned airwaves which are granted to them for the time being and over which during that time they exercise some control. In other words, a monopoly of an air wavelength is granted to a private organization by the government, or by the people of Canada if you like that better, as a privilege and not as a right.

When we hear about business competition in connection with broadcasting between the private organizations themselves or between the private organizations and the Canadian Broadcasting Corporation it is not competition in the ordinary sense of the word because to begin with a private broadcasting station, under acts passed first by the Conservatives and then by the present government and affirmed all through the years in the reports of various parliamentary committees, is placed in a position where it is under the control of a publicly organized authority. As I say, their representations this year went far beyond anything they have asked for heretofore. I should like to refer to page 151 of the record of the proceedings of the 1947 committee. Mr. Sedgwick was appearing on behalf of the private broadcasters and on June 3, 1947, he said this:

> . . . such freedom of speech should be properly safeguarded by having the regulation of radio broadcasting in the hands of a licensing and regulatory body which should be as independent as possible of the government of the day and which should be appointed directly by and responsible directly to parliament itself.

In other words in 1947, while they were asking for a different kind of regulatory body, they wanted a body to regulate all matters having to do with radio broadcasting. This year they have asked for something different. In support of the request for a new regulatory body they quote Dr. Surveyer. I wondered why they quoted Dr. Surveyer. If you will read his minority report you will find that he does recommend a regulatory body different from the C.B.C., and why? Because he thinks the C.B.C. is too busy to undertake the proper regulation of broadcasting in Canada. He quotes at some length to prove that radio broadcasting has not carried out the function it should have carried out in raising the tastes of the Canadian people. In fact he quotes various authorities to suggest that radio broadcasting has not hastened the maturity of many of the people of Canada. He quotes a number of experts and authorities to support these contentions, and he has this to say, as found at page 398 of the report of the Massey commission:

> The excerpts and quotations given above reveal what heavy responsibilities will be placed on the shoulders of the members of the independent regulating body charged with the task of not only arbitrating on the disagreements between the Canadian Broadcasting Corporation and the private broadcasters, but also with the more difficult mission of planning an adequate and well balanced schedule of radio and television programs for Canada. It is obvious that the group of men who will have this double responsibility should not be charged with this other double duty of operating the Canadian Broadcasting Corporation networks and of producing the programs suggested by the new control board.

In his recommendation for a new regulatory body I think Dr. Surveyer goes far beyond anything we in this parliament would approve or accept. He wants a regulatory body which would be responsible for raising the whole tone of Canadian broadcasting and which would, as he says, bring about a greater maturity of mind, thinking, culture and taste among the people of Canada. In other words, for the private broadcasters to call in Dr. Surveyer to support a private regulatory body—a minority report, in other words—is, I think, to destroy the very argument that some of my hon. friends are using in that connection.

I do not want to speak at any great length. The hon. member for Eglinton mentioned the criticisms that have been made of some of the programs that have been heard on the air. I am convinced that when second reading of the bill was before the house and we were discussing this matter, many hon. members who spoke had either not heard the broadcasts that were then under criticism or had not read the scripts. As it happened I had heard most of the broadcasts complained of, and I had the temerity to say in the house that I thought they were the kind of broadcast that a good many people in Canada should be entitled to hear. I was not only criticized in the house for having said that but subsequently I received a number of letters to the same effect. I think hon. members who were on the radio committee, and who have had an opportunity to read the scripts that were

the basis of the broadcasts, will agree that in the main they were in very fine language, that there was nothing of a blasphemous nature and that they were the kind of thing that is heard daily in the classrooms of our colleges.

The only suggestion I would make is one that as a matter of fact was made also by the hon. member for Eglinton. I would suggest that when topics of that type are discussed on the air by scientists or others and they come to conclusions which may not be the opinion of a majority or even a large minority of the people of Canada, at the end of that same series of broadcasts an opportunity should be given to put the other side of the case. I may say that I listen with a great deal of interest to many different types of broadcasts. I enjoy the religious programs on Sunday afternoon. Some of them are distinctly doctrinal. They speak of the doctrines of the various churches and are of great interest. I have listened to a series of broadcasts by eminent clergymen of the Roman Catholic church, my own church which is the Anglican church, the Baptist church and the Presbyterian church, on a recent Sunday evening series dealing with the development of Christian thought, and have enjoyed them very much.

I think all sides of these questions should be presented to the people of Canada in order that we may arrive at some maturity in our thought. As I say, the only proviso I would make is that where something of a very controversial nature is being discussed an opportunity should be given for someone to reply. In connection with the four—I think that is the number—broadcasts by Dr. Hoyle of Cambridge university on the nature of the universe, which have been under criticism, at the end of that series of broadcasts a Roman Catholic priest I believe from St. Michael's college in Toronto replied to the position taken by Dr. Hoyle from the religious and Christian point of view.

I think it is perfectly satisfactory when that is done. I am happy to know that the church to which I belong, the Anglican church in Canada, held a meeting of its bishops and chancellors a short time ago who came to the unanimous conclusion that broadcasts of the type that have been under criticism should be permitted, indeed encouraged, provided that an opportunity for criticism is given. That was also the position taken by the United Church of Canada. I was interested to see that the *Prairie Messenger,* a paper which circulates widely in Saskatchewan and which is published by the Benedictine Fathers in that province, took a similar position in an editorial. That was the position taken by that great and influential Roman Catholic order. The same position was taken by the Canadian council of churches.

If we are to have freedom of speech on the air opportunity must be given for the airing of views with which some of us may disagree from time to time, always provided that an opportunity is given for the making of an adequate reply. In these days when freedom of speech is so essential we must beware lest we fall into the trap of limiting the freedom of speech we now have.

I do not know the political views of some of the commentators who have been criticized, and I was surprised to hear tonight that Matthew Halton was left of centre. I have listened to him on many occasions and have always thought he was pretty objective in his remarks. As I pass across the country I have been told by Liberals, Conservatives, C.C.F.'ers, Social Crediters and people of every shade of opinion that the one commentator they have enjoyed over the years is Matthew Halton. He has been acclaimed by various broadcasting authorities, both in North America and overseas, as being one of the ablest broadcasters anywhere in the world. I do not know most of the others well enough to say much about them, although I have listened to them with a great deal of interest.

I am glad provision is to be made for the financing of the corporation. I believe that if the house approves the suggestion made as to financing more adequate programs will be available. I hope that will be so. I hope also that a greater limit will be placed on the amount of advertising over the air. I did not bring with me this evening the copy of *Time* of December 3 which I saw a few days ago, and which outlined the amounts spent on advertising by some of the big corporations in the United States. I remember that one was spending $43 million a year on advertising. One of the toothpaste and soap organizations was spending around $16 million a year.

People think they get their radio programs free over the private stations, but they do not. They pay for them in the soap, in the toothpaste, in the sausages, in the soup, in almost everything they buy. They pay through the nose for those things advertised on the various stations, including the private stations and those of the Canadian Broadcasting Corporation. We would not buy some of these products at all if they were not constantly named and drummed into our ears hour after hour over the radio and constantly kept before our eyes in the various newspapers and other publications that we see. No wonder we pay 83 cents for a tube

of toothpaste that I am told costs 9 or 10 or 12 cents to make and package. We pay dearly for radio programs through advertising.

May I say a word about television. Like my hon. friend I spent a most interesting day at Montreal looking over the headquarters of the Canadian Broadcasting Corporation. I think all Canadians can be proud of those headquarters at Montreal. I hope that with the additional funds we are proposing to appropriate through this bill the facilities in other places like Toronto, Winnipeg and elsewhere will be improved.

I repeat that we can be proud of what we saw in Montreal. We can be proud of the people who are doing the job in Montreal and across the country. There is a fine staff of young men and women who have entered this new field which has been developed over the last twenty years, and who are doing a competent and splendid job in radio broadcasting.

I think what interested us most on this visit was the television. We had the opportunity to see how far the corporation had gone in its preparations to give television to this country. I marvelled first at the intricacy of the equipment required both for radio and television. We sometimes speak of literacy as though it were merely the ability to write and perhaps develop our mental faculties in a literary way, but I sometimes feel most illiterate in another sense when I visit places of this description and see the intricate machinery and equipment with which many of these younger people have to work. It is all dutch to me, if I may put it that way. What these people are doing in Montreal is a great credit to them and to Canada.

Who is going to give us television? The hon. member for Eglinton would like to see the private stations take over television and give us presumably the kind of television they are getting in the United States. If that were done it would be a punishment upon all the people of Canada for the negligence of this House of Commons at the present time. I do not want to see our people undergo the kind of punishment they are getting in the United States from the private telecasting organizations. I have noticed statements that have appeared in certain responsible newspapers, not only those which support the government but those which ordinarily support the friends of the hon. member for Eglinton. The Ottawa *Journal* has the reputation of being a Conservative paper. An editorial in tonight's issue deals with a brief presented a few days ago by the Canadian Chamber of Commerce in which they alleged to represent 100,000 businessmen in this country. They urged that an opportunity be given to private organizations to go into television. However, the *Journal* questions that statement; indeed, it makes the suggestion that if a vote were taken of those 100,000 persons it might be found that the majority would disapprove of the chamber's brief presented to the government in relation to television. I am convinced that our people would rather wait a little while than have the kind of television inflicted upon them that we find to a large extent in the United States. I believe the Massey commission was very forthright, and indeed very wise, in the recommendation it made. If one will read the sections in the Massey report at pages 301, 302 and 303, where the reasons for the recommendations are given, one finds the recommendations in these terms:

> That no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programs and that all private stations be required to serve as outlets for national programs.

They also submitted:

> That direction and control of television broadcasting in Canada continue to be vested in the Canadian Broadcasting Corporation.
>
> That the Canadian Broadcasting Corporation proceed with plans for the production of television programs in French and English and for national coverage by kinescope recordings or by any other practicable means.

The commission is most anxious that television shall be safeguarded. It is true that today there are a number of television sets in Canada. You find them in the Niagara peninsula, in Toronto, and other places near the United States border. I am quite sure that those who have these sets would agree with me that many of the programs emanating from the United States are third or fourth rate. In the evening a great many of the programs consist of wrestling or boxing matches which are easily televised, and indeed are televised very well. But in Canada we would like to see something a little more —I hate to use the word—cultural than that sort of thing. I should like to say that I believe we are wise to wait a while, and I do not agree with the hon. member for Eglinton in saying that this is a policy of government. I like to think of the policy with regard to radio and television as a policy of this parliament. Effective public control was the policy of Right Hon. R. B. Bennett, and it was the policy of the succeeding government under Right Hon. Mr. King. No fundamental change was made. It is the policy that has been consistently pursued, no matter what government has been in power. Consequently I should like to see the hon.

members of the house take pride in this as their broadcasting system, their television system; the broadcasting system of this parliament of Canada, and not of one section of this house or of any political party.

I hope that one day we may have the country covered by television. When one sees the equipment we saw in Montreal the other day, and realizes that to put television over will cost millions, not hundreds of thousands of dollars, one can realize the difficulties. The very mobile unit which we saw on the floor costs about $100,000. When you think of all the other equipment, the cost of operation and all the rest of it, it will run into the millions of dollars. As a matter of fact we were told that it takes 40 hours of preparation and rehearsal to produce a half hour program. I believe it takes seven times as many people as are engaged in the production of a radio program. When you look at those figures you begin to realize the costliness of this operation.

If television did get into private hands the organizations that could put on television programs would have to be very wealthy indeed. If you relied on advertising only, then the wealthiest corporations in Canada would be the only ones who could afford to advertise. Resale price maintenance would be nothing to the monopoly you would create if radio advertising did take care of television, because only the most powerful nation-wide organizations who were prepared to spend millions in advertising could take advantage of those facilities. Consequently I am one of those who believe that the Massey commission was right in its recommendations that we should proceed slowly, and that we should make this a Canadian effort. We should try to provide both our English and French speaking people with television as quickly as possible, but we should take every precaution to see that television is used for entertainment, for education, but most of all to promote the consciousness of Canada, our Canadian way of life, and our Canadian culture, and not to sell this country down the river to our friends to the south.

Mr. Hansell: Mr. Chairman, I hope I can finish what I have to say before 10 o'clock. Two or three weeks ago I was out in my constituency and I met one of my friends. He put out his hand and said "Well, how is beef Hansell?" I looked at him and said "What does that mean?" He said he had read a piece in the paper not so long ago which said I was the man with all the beefs. I want to say that I am not any different from anyone else when it comes to expressing myself. If I have a complaint to make, I am no different from anyone else, and if I have a compliment to express once in a while I like to be fair and have what the C.B.C. calls a balance of opinion.

I wish to say that I am not an opponent of the Canadian Broadcasting Corporation. I may be a critic at times, but I am not an opponent. I believe we should retain the institution we have, which is known as the Canadian Broadcasting Corporation. In many respects they are doing a good job. I will say this, that the air is comparatively clean, and the programs are programs of which we can be proud. Should the Canadian Broadcasting Corporation need a little money in their attempt to do a good job, I am in favour of giving them some reasonable amount. However, I do have a beef, and it is the same beef I have had for a good many years. Once again, Mr. Chairman, I take the opportunity that is afforded hon. members of parliament to express their dislikes as well as their likes.

Somehow or other considerable criticism has been levelled at the corporation in recent weeks because of a certain series of broadcasts that were put over the network by certain individuals known as psychiatrists, philosophers, and I believe you could use one or two other names. Since that criticism has arisen and some publicity has been given to it, the members of the committee and perhaps members of the house as well have received representations from various sources deploring what they claim to be a move on the part of some to restrict freedom of speech. I believe every one of the representations that have come to my desk has specifically mentioned the fact that we are in danger of restriction of free speech. Yet not one of those briefs indicates who has ever advocated the restriction of free speech. I will challenge them on the floor of the house to tell us who it is—whether it is an organization, an individual or a group of individuals—that is advocating the restriction of free speech. I believe that if they properly appraised the criticism they will find that those whom they suppose to be advocating restriction are in reality advocating a wider freedom of speech; because what most of us are advocating is that not only should there be a balance of opinion but that, when opinion is expressed, opportunity should be given for that opinion to be answered. That is not the restriction of free speech. It is an amplification of the principle of free speech.

I have some criticism to offer in respect of these matters. One of the representations that has come through the mail to us makes special reference to the C.B.C. white paper with which I think we are all familiar. These representations deplore what they surmise may be some interference with this white paper. They want the principles involved in that white paper to continue and to be established. I am not going to criticize the white paper particularly, but I am going to analyse it a little and expound something which I trust will be a bit thought-provoking. This particular representation goes on to say:

According to the C.B.C. white paper on political and controversial broadcasting which has been approved by parliament in the past, the basic principles of this national policy are:

I am going to read them, and I am going to comment on them as I go along.

1. The air belongs to the people—

May I interject here that I have some reservation with respect to that assertion. I do not know that it does belong to the people. At least I will say that phrase "it belongs to the people" is a socialist phrase. But let me read the whole section:

The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.

The question I want to ask here is this. Who is to determine what the principal points of view are, and who is to determine what the questions of importance are? Another thing I am going to suggest is this. If the air belongs to the people, and if they are entitled to hear the principal points of view on all questions of importance, I am going to ask this question: Are they entitled to hear it at the taxpayers' expense?

2. The air must not fall under the control of any individuals or groups influential by reason of their wealth or special position.

I want to emphasize the last words "or special position" because the air does fall under the control of individuals with special position. It falls under the control of the talks department which is composed of people who are in a special position, for they are the ones who formulate the programs and decide on the people who must take part in opinion broadcasts.

3. The right to answer is inherent in the democratic doctrine of free speech.

I believe that; but we have not the right to answer over the national networks in this country. Someone has a right only if that someone is chosen by those in a special position and he is asked: Would you mind giving this series a little balance? Will you, along with others, take part in this series of talks?

[Mr. Hansell.]

I am saying that the right to answer which is inherent in the democratic doctrine of free speech is not a principle that is being followed in the opinion broadcasts on our national networks.

I now come to another thing:

4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

Once again I am going to say that there is no full interchange of opinion. It is only as full as the talks department care to make it. I know that it is not just the easiest thing in the world to arrange, and I am not harshly criticizing those four principles, because I recognize the fact that you have to put in there something to guide those who are in the special position of being able to say who is to take part in opinion broadcasts.

I now want to say just a word or two with respect to the particular series of broadcasts that have come in for some considerable criticism, and I am happy that this is so. I believe the officials of the Canadian Broadcasting Corporation should also be glad, because that is the only way they are able to know what the people are thinking about. I want to say one thing. In my opinion—and it may differ from that of a good many—the broadcasts that were given in that particular series were anti-Christian. I am not wanting to cast any reflection upon the individuals who gave them. They may be good men and honest men. They may be speaking their own personal convictions. But in my opinion they ran contrary to what I would regard as being in the best interests of our Christian way of life. Surely we can put down as one great solid factor that the foundation upon which any nation can be built and made great is the foundation of Christian principles. Surely we can put that down as one solid, indisputable fact. Surely we want to build a great nation of God-fearing people. Surely we want to build a great nation whose people will recognize our dependence upon almighty God, the Creator and the Redeemer of men and of nations. Surely we want to do that. Very well, then. "If the foundations be destroyed, what will the righteous do?" That last phrase is a quotation from holy writ. Therefore I say that even though we may desire to have a properly balanced program of opinion broadcasts, the Canadian Broadcasting Corporation should be very careful lest that institution be used to ultimately destroy the foundations upon which any great nation is built, the foundations which will make any nation great.

I wonder whether I might just refer to one or two of these broadcasts in question.

I am going to take the broadcast given by Dr. Brock Chisholm. I know what is going to be said. It is said all the time, as soon as you mention somebody's name. "Oh, well, now, you are going to slur some character; you are going to do this, you are going to do that. Let us not bring personalities into this thing." That is the cry that goes up. Let me say to you, Mr. Chairman, that any man who enters public life opens himself to public criticism. Some of us know that. I am going to say right now that no election campaign has ever been fought where public men, in some phase or another, have not been attacked. That is the natural process, because men in public life are responsible to the public and express themselves, or have opinions that are in the interests of, or in the disinterest of, the public; we can expect criticism.

I have never met Dr. Chisholm. I suppose he is a charming gentleman, a good man, a good citizen. I am not disparaging the person at all, but I am going to read one or two things he said in his broadcast. I cannot take time to quote too much. The broadcast, to start with, has as its theme "Man's last enemy, himself." He starts off in the introductory remarks with a very familiar quotation, "Man, know thyself." His broadcast is designed to bring to his listeners the important theme that man must know himself. Very well. Who is to teach man himself? Who is to teach man what he is? Who is to teach man so that man can know himself? We do not read very far in the broadcast until we come to the point which he illustrates, namely that if anything goes wrong with the washing machine, or the refrigerator does not work properly, you call in an expert to do whatever needs to be done. He goes on to say that the same principle is involved in this theme. Therefore if you want to know yourself you have to bring in the experts. He never tells us who the experts are; oh, no. I should like to know who they are. Perhaps he regards himself as one, and I have no quarrel with him if he does, but I am going to say this. I will tell you who I think the experts are. He deals with the matter of child psychology. The greatest experts in the world are the Christian mothers and fathers who bring up their children in the admonition of almighty God. They are the experts. Give me the kind of parents who will bring up their children in Christian teaching, with the devotion and affection those parents give to children; give me those, and I will put them alongside the Chisholms, the Freuds and the Camerons, or anyone of their kind, and I will guarantee that the nation will be stronger. The nations of the world will be stronger if we pay a little more attention to these kinds of experts.

What do the experts say, after all? I will tell you. They say: "Come along here. You are a man. I am going to teach you to know yourself. I will take your brain and put it on the table, and I will begin to dissect it. I will take your personality, and I will tell you all about your personality. I will dissect that, too. If you want to give me your gizzard I will put that on the table, and I will begin to dissect that, too. And after I have them all dissected I will put them back again and I will make a new man out of you, so that after I get through you will be able to understand yourself." That is just about the way they work. Well, by the time I got through reading this broadcast I made a little note on the bottom, and that little note in my handwriting is this: "I don't know myself any better than I did before I read the broadcast."

Let me go on a little further, Mr. Chairman. I notice that it is nearly ten o'clock, but if I may just have a few more minutes I will be through.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Hansell: There is another part in this broadcast that I do not like, and I should like to mention it. Dr. Chisholm refers to certain things, and he gives an illustration. He is talking about the rate of increase in world population, and he says it has jumped to about 68,000 a day. He then asks this question:

> Are you among the hundreds of millions of people who are avoiding this frightening fact? Are you among those whose opinion, based on some authoritarian prejudice, prevents delegates to the United Nations bodies, even the population commission, from tackling this problem?

That leaves it in the air. Who is this prejudiced authoritarian who seeks to channel and control men's opinions? He does not say. Perhaps I know to whom he refers, but I do say that to put that in a broadcast and pour it into the ears of several million people is not fair. There are some people in the world who, because of their Christian concepts, have a great deal of respect for those who are in religious authority, and I believe that such phraseology is just taking advantage of them.

I might go on. He spends a good deal of time giving illustrations about the way parents should teach their children in respect of their bowel movements. I am not going to have anything to say about that, but once again I am saying that I do not think you can teach a mother and father very much about their children in that respect. He

goes on to show how you can approach it from an angle which will have a particular reaction upon the child after he grows up. You can take that for what it is worth. I do not think it is worth very much. Then he goes on in his broadcast to talk about a child's sexual equipment. Well, some may smile. Some may say, "Why bring that up in parliament?" All I am going to say is: Why pour it into the ears of a few million people?

Some hon. Members: Ten o'clock.

Mr. Hansell: Yet he gets paid for doing it. I will not say any more on that. I know we are anxious to get through.

Some hon. Members: Ten o'clock.

Mr. Hansell: I will not talk long.

The Chairman: Shall the section carry?

Mr. Hansell: No. I will not keep the house longer in this respect. If hon. members do not wish to go on tonight, I will adjourn the debate. But perhaps we might go on for five minutes more.

An hon. Member: Finish.

Mr. Casselman: You are asking for it. Let him give it to you.

Mr. Hansell: What I was going to say is this—

Mr. Fleming: There are others who will speak on this section.

Mr. Hansell: We believe in free speech. We like free speech. But let us not run away with the notion that the only place we can have free speech is over the radio networks of Canada. We are told the air belongs to the people. Well, it belongs only as far as one's voice will carry, and always has. We have no objection to a man gathering a few people around him, if he has an idea he would like to propound. There is nothing to prevent that idea from taking hold. There is nothing to prevent those people saying, "It is good; we think you should expound it further. We will call in a few more of our friends."

There is nothing to prevent a man from gathering a few supporters around him. That is not very difficult. And if his idea is worth anything it is not difficult for him to get on the air, even though in a small way. His friends will support him. He can start out on a small station at very small expense, and give voice to his idea.

That is free speech. And if it catches on, then some other stations will want it. Eventually the idea will become well known, but he does not have to express his ideas at the expense of the taxpayers. Almost anyone can get on the air in a small way if he has something worthwhile to say.

An hon. Member: Did you hear Mr. Fair last night?

Mr. Hansell: We must not think the only place free speech can be expressed is over a national network. I do not know whether those in this series of broadcasts who have been criticized take that view or not. If the psychiatrists have an idea, let them gather their friends around them. Let them pay for some time on a private station. Then if the idea catches on, let it spread. Someone will want it, in that event. But they should not do it at the taxpayers' expense.

But some of these people look at it differently and will say, "Oh, no; this is different. Here is a multimillion dollar corporation with huge networks capable of reaching millions of people. Why not take advantage of it?" I do not think I am far off the beam when I say the attitude is, "Well, if you pull the right wire, know the right people, and go about it in the right way, eventually you may get on the national networks, at the expense of the taxpayers, and be paid for doing it." That is the way it works.

I do not think I need say anything further. I could go on criticizing all these speeches, but I will reserve what I have to say until we reach other sections of the bill. There are one or two other matters about which I shall have something to say. I have set out my objections, and perhaps what I have said will be accepted as a contribution to the discussion.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue the consideration of Bill No. 17, to amend the Canadian Broadcasting Act, 1936; and then a list of small bills: Bill No. 41, to amend the Dominion Elections Act; Bill No. 42, to amend the National Gallery Act; Bill No. 43, to amend the Civil Service Act; Bill No. 8, to amend the North Fraser Harbour Commissioners Act; Bill No. 18, to provide for the establishment of an agricultural products board; the resolution in the name of the Minister of Trade and Commerce concerning the provision for short-term credit to grain producers in the prairie provinces and, if we have time, Bill No. 23, to amend the Government Annuities Act.

It being ten minutes aften ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Thursday, December 13, 1951

The house met at eleven o'clock.

RIGHT HON. WINSTON CHURCHILL

INQUIRY AS TO DETAILS OF VISIT TO CANADA IN JANUARY

Mr. George A. Drew (Leader of the Opposition): I rise on a question of privilege. In view of the fact that we are coming reasonably close, or would appear to be coming reasonably close, to the termination of this special session—and may I say I do not think that should be for some days yet—I would ask the Prime Minister if he is in a position to announce to the house any arrangements that have been made for the Prime Minister of Great Britain and those coming with him which may affect members of the house.

Right Hon. L. S. St. Laurent (Prime Minister): No definite arrangements have yet been made. The tentative plan of the prime minister is that he will arrive here on Sunday, January 13. There have been some suggestions as to what his program might be while here but it has not yet been definitely determined.

PUBLIC ACCOUNTS

Second and third reports of standing committee on public accounts.—Mr. Picard.

HOUSE OF COMMONS

FOURTH AND FINAL REPORT OF SPECIAL COMMITTEE ON PROCEDURE

Mr. Speaker: I have the honour to present the fourth and final report of the special committee which was appointed to consider the procedure of this house. Copies of the report have been distributed to the members. There are quite a few points covered in the report, and if the house would prefer it I will try to explain it. The house might then be able to follow it more easily. The report is in three parts. The first part recommends permanent changes which should be made in the rules at this time. The second part recommends a change which should be tried on an experimental basis next year, and the third part sets out other matters which the committee has considered.

Part I recommends that the hours of sitting should be the same in future as they have been during the latter part of this session with the exception that the dinner recess will be from six o'clock to eight o'clock p.m. There is also a provision that public and private bills will be dealt with on Tuesdays and Fridays from five to six o'clock in the afternoon instead of the former hour, which was from eight to nine o'clock on Tuesdays and Fridays. There is also a provision that on one of the days private bills will have priority, and on the other day public bills will have priority. With that report there is a recommendation that the necessary changes in the standing orders should be made immediately.

Part II recommends that the length of speeches should be 30 minutes instead of 40 minutes. However, I should point out that it does not recommend that the change should be made immediately in this rule, but recommends that it be tried out during the next session, or until otherwise ordered.

Part III sets forth other matters which the committee has considered but upon which a recommendation has not been made. The committee considered whether a debate should be allowed on money resolutions when the Speaker is in the chair, and also whether it is necessary for the minister in moving a money resolution to rise in his place and inform the house that the Governor General has been informed of and recommends the resolution to the consideration of the house. The committee considered, too, whether Mr. Speaker should leave the chair on Wednesday when there is a motion to go into supply or committee of ways and means. Hon. members will recall that at the present time, in order for the Speaker to leave the chair on Mondays, Tuesdays and Wednesdays to go into supply or ways and means, it is necessary to have a motion. The committee considered also the question as to whether estimates should be referred to a special committee or standing committees of this house. The general question of the structure of house committees was taken into consideration, as well as the question whether or not the rulings made by Mr. Speaker should be subject to appeal. Consideration was given as to whether those who are not limited to time in the length of their speeches should be limited as to time.

I shall read the last paragraph of the report:

> Since your committee has thus far been unable to adopt the final report with respect to these proposals, and since other proposals may be forthcoming, your committee recommends that a similar committee be established as soon as possible after

the commencement of the next session to continue the consideration of changes that may be desirable to assure the more expeditious dispatch of public business.

Mr. Fleming: Mr. Speaker, might it be added to the statement you have given to the house that part I was adopted unanimously by the committee, but part II on division?

Mr. Speaker: That is correct.

Mr. Knowles: Perhaps Your Honour could get unanimous consent to have the entire report printed in *Hansard*?

Mr. Speaker: Is it the pleasure of the house that the full report be printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Speaker: The report is as follows:

The select committee appointed on October 9, 1951, to consider, with Mr. Speaker, the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business, begs leave to present its fourth and final report.

Part I.

Your committee recommends that the standing orders of the House of Commons be amended as follows effective on and from the first day of the next session:

(a) Standing order 2 is repealed and the following substituted therefor:

"2. The house shall meet at 2.30 o'clock p.m. on each sitting day except Friday, when the house shall meet at 2 o'clock p.m. If there is not a quorum at the time of meeting, Mr. Speaker may take the chair and adjourn the house."

(b) Standing order 6 is repealed and the following substituted therefor:

"6. (1) At 6 o'clock p.m., except on Wednesday and Friday, Mr. Speaker shall leave the chair until 8 o'clock p.m.

(2) At 6 o'clock p.m. on Wednesday, Mr. Speaker shall adjourn the house without question put, and the house will stand adjourned until Thursday.

(3) At 6 o'clock p.m. on Friday, Mr. Speaker shall adjourn the house without question put, and the house will stand adjourned until Monday.

(c) Standing order 7 is repealed and the following substituted therefor:

"7. At 10 o'clock p.m. on Monday, Tuesday and Thursday (unless the closure rule is in operation) the proceedings under consideration will be interrupted, and Mr. Speaker shall adjourn the house without question put. Any proceeding not disposed of at the end of the sitting will stand over until the next sitting day when it will be taken up at the stage at which its progress was interrupted."

(d) Standing order 15 is amended as follows:

"(i) In paragraph (3), the words '(From eight to nine o'clock p.m.)' and the words 'Private and public bills, the former having precedence' under the heading 'Tuesday (Government Day)' are deleted and the following substituted therefor:

"(From five to six o'clock p.m.) Public and private bills, the former having precedence."

"(ii) In paragraph (3), the words '(From eight to nine o'clock p.m.)' immediately before the words 'Private and public bills' under the heading 'Friday (Government Day)', are deleted and the following substituted therefor: '(From five to six o'clock p.m.)'."

[Mr. Speaker.]

(iii) Paragraph (4) of standing order 15 is amended by deleting the words "9 o'clock" and substituting the words "6 o'clock."

Part II.

Your committee also recommends that, as an experiment for the next session, unless and until otherwise ordered, standing order 37 be considered as amended by the deletion of the words "forty minutes" as they appear therein and the substitution therefor of the words "thirty minutes," so that standing order 37 would for the duration of the next session have effect as if it were a sessional order reading as follows:

"37. No member, except the Prime Minister and the Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "No Confidence" in the government and a minister replying thereto, shall speak for more than thirty minutes at a time in any debate."

Part III.

Your committee has also given consideration to the following proposals suggested as possible means of expediting the dispatch of public business:

(1) That when the order of the day is read for the house to go into committee of the whole on a resolution preceding a money bill, Mr. Speaker do leave the chair at once without question put.

(2) That the practice of announcing in the house that His Excellency the Governor General recommends a money resolution to the consideration of the house be discontinued.

(3) That whenever on Wednesdays government business has precedence, Mr. Speaker shall leave the chair without question put when the order is read for the house to resolve itself into committee of supply.

(4) That the estimates be referred to a committee on estimates or to other standing or special committees of the house.

(5) That the committee structure of the house be re-examined and reorganized.

(6) That the rulings of Mr. Speaker be made conclusive and not subject to appeal.

(7) That the speeches of those not now limited as to time in standing order 37 be limited as to time.

Since your committee has thus far been unable to adopt a final report with respect to these proposals, and since other proposals may be forthcoming, your committee recommends that a similar committee be established as soon as possible after the commencement of the next session to continue the consideration of changes that may be desirable to assure the more expeditious dispatch of public business.

Respectfully submitted,

W. Ross Macdonald,

Speaker of the House of Commons, Chairman.

Mr. Drew: May I ask what the procedure is by which it is proposed to adopt or otherwise deal with this report which has been read?

Hon. Alphonse Fournier (Minister of Public Works): The moment we go into routine motions I shall move, seconded by the hon. member for Grey-Bruce (Mr. Harris), that by leave of the house we refer it to the committee as a whole, but upon the passing of that motion we would not proceed this day with the study of these changes. If we receive

the unanimous consent of the house we shall be in committee of the whole tomorrow or Saturday. If we do not receive that consent we shall have to put a notice of motion in *Votes and Proceedings* and it would come up on Saturday.

Mr. Drew: Mr. Speaker, I think it would be well to put a notice of motion on the order paper, because so far as a great number of the members are concerned this report has just come before us. I may as well say now that there will be a little debate concerning certain features of the matter when it does come up.

Mr. Fournier (Hull): Perhaps we could discuss that on the order for motions because I have a few reasons to give, but if the opposition does not agree we will have to put a notice of motion in *Votes and Proceedings*.

MOTION FOR REFERENCE OF REPORT TO COMMITTEE OF THE WHOLE

Hon. Alphonse Fournier (Minister of Public Works): In all cases where substantial amendments to the standing orders of the house have been proposed in the report of a special committee appointed for that purpose, it has been the practice to consider the report in committee of the whole, and when the committee of the whole reports to concur in such report. In most cases when the report of the special committee was presented the motion to consider the report of the committee of the whole was moved without notice, either immediately or at some specified date. Concurrence in the report of the committee of the whole was moved immediately it was received, and in no case was any objection raised to this procedure.

At pages 702 and 703 of Beauchesne's third edition there will be found a Speaker's ruling dealing with a motion for concurrence in a supply resolution, which ruling is to the effect that it does not come within debatable motions under rule 17(a), now standing order No. 38. It is assumed that this would apply equally to motions for sending reports to committee of the whole. Now, the standing orders were amended in 1876, 1906, 1910, 1927 and 1940. What I have just said applies to those previous occasions. I know that I have to ask for unanimous consent of the house, but in moving this motion we have no intention of debating these changes in the standing orders this day. This procedure would just avoid the notice of motion. The tenor of my remarks today would, I believe, be sufficient notice that we intend to bring this matter forward as soon as the delays are over.

I move, therefore, seconded by the hon. member for Grey-Bruce (Mr. Harris):

That the house resolve itself into committee of the whole immediately to consider the report of the select committee appointed on October 9, 1951, for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am as ready as anyone in this house to follow any course that is consistent with the proper dispatch of the business of this house and to expedite the proceedings. On the other hand, I do not intend to let the natural desire of every one of us, to have adequate time before Christmas day to make our own personal arrangements, to interfere in any way with what seems to be the best methods of dealing with business in this house. The suggestions that are before us on the one hand contemplate changes that have not been put in detail before the house in advance of this report, and it is not only the points that are raised but the points that are not raised that may be under consideration. For that reason, recognizing the fact it may well be that there would be some advantage in the members having an extended opportunity to consider this with others, I do not feel I could consent to this motion.

Mr. Speaker: If there is not unanimous consent, I cannot put the motion.

RADIO BROADCASTING

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Coldwell be substituted for that of Mr. Knowles on the special committee on radio broadcasting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR AUTHORIZATION TO MAKE CAPITAL EXPENDITURES, TO ISSUE SECURITIES, ETC.

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures not exceeding $55,581,816 for the purpose of meeting the commitments that have been incurred by the national railway system in the year 1951 in respect of new equipment; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that the aggregate principal amount of securities, not including any securities issued to secure temporary loans made by the Minister of Finance, outstanding at any time shall not exceed $55,581,816; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make temporary loans to the said company secured by such securities and not exceeding $55,581,816 in principal amount to enable the

said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the said national system.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

BUSINESS OF THE HOUSE

SATURDAY SITTINGS ON AND AFTER DECEMBER 15

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

That on Saturday, December 15, 1951, and every Saturday thereafter until the end of the session, the hours of sitting and the order of business and procedure shall be the same as on Thursdays.

Motion agreed to.

OLD AGE SECURITY ACT

REQUEST FOR INFORMATION ABOUT REGISTRATIONS

On the orders of the day:

Mr. Arthur Laing (Vancouver South): I wish to direct a question to the Minister of National Health and Welfare. Will he please bring us up to date on the question of registrations under the Old Age Security Act?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I may say that the progress which I noted in the number of registrations a few days ago has been continued. There are over 340,000 applications that have come in, in addition to those already on the old age pension rolls, and which are being transferred from provincial to federal lists. To summarize my statement I think I should say that over 92 per cent of the expected total are in seven weeks before the date of payment.

NORTH ATLANTIC TREATY

INFRASTRUCTURE AGREEMENT—DIVISION OF ESTIMATED COSTS AND EXPENDITURES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on November 27 I directed a question to the Prime Minister, as reported at page 1356 of *Hansard,* in connection with our commitments under NATO. On that occasion the Prime Minister said:

I shall have to take that question as a notice. The hon. member will appreciate that I shall have to communicate with the NATO council because it is understood that any information about their decisions has to be authorized by the council. I shall be glad to make available to the house all the information that can be published.

[Mr. Abbott.]

I would ask the Prime Minister if he is now in a position to inform us with regard to the extent and the nature of the commitments under NATO.

Right Hon. L. S. St. Laurent (Prime Minister): No, I am not, Mr. Speaker. I communicated immediately with our high commissioner in London who is the Canadian member of the council of deputies. I was informed by him that no information in that regard had been authorized to be published by the council and that the understanding was that none of the members would give any of that information without the general consent of the group. I can add that there have not yet been any definite commitments with respect to the expenditure which will have to be made for the purposes of what was referred to, I think, in the hon. gentleman's question, as the infrastructure or at least what is generally described as the infrastructure. That matter is still under consideration, and there has as yet been no determination as to the definite portion of the expenditure each of the members of NATO would have to assume. This is also a matter which is connected with the report that is to be considered, I think it is tomorrow, in Paris, by what is known as the T.C.C.

Mr. Abbott: The draft report.

Mr. St. Laurent: Yes, the draft report. The temporary council committee has that matter before it tomorrow, and I would assume that after this report has been made public it will be much easier to have all the members of the council agree upon the extent of further information that can be made public.

NATIONAL DEFENCE

RADAR SCREEN—REFERENCE TO ARTICLES IN MONTREAL "HERALD"

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of National Defence. It relates to a series of three articles which appeared on Monday, Tuesday and Wednesday in the Montreal *Herald,* in regard to our radar screen. It would seem that the articles are of a factual nature and they give sufficient detail to require that some explanation should be given to us as to whether they accurately interpret the real state of our radar screen in this country today. I would ask the minister if he is prepared to give us some explanation of the situation, having regard to what those articles have stated.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I have not seen the

articles and I should think that any explanation of them should be made by the publisher. I will be glad, however, to see if anything should be added.

Mr. Drew: As to the latter part of that remark, Mr. Speaker, to the effect that the minister has not seen the articles, that is of course an effective answer to any suggestion that he should answer at this time. But when he reads the articles I am sure he will realize that they are of such a nature that they do not leave the responsibility on the publisher to give an explanation. Either they are correct or they are not. If they are correct, an explanation is owing to this house.

Mr. Claxton: I will be glad to look at the articles.

WHEAT

AVAILABILITY OF ELEVATOR SPACE—DRYING FACILITIES—ALLOCATION OF CARS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is he in a position to give a further report in connection with the availability of elevator space for wheat on the prairies? Is he able to say whether anything will be done by the wheat board to provide additional drying facilities for the damp wheat that is on the prairies? In particular, what is the situation now with regard to the allocation of cars in those areas that up to now have had a shortage?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The movement of grain, particularly during the past thirty days, has been very favourable indeed. We have succeeded in getting the insurance period for shipping on the great lakes extended, and grain is still moving down the lakes at a time during which navigation is normally closed. This has improved space in the terminals at the lakehead. Stocks are down to about 32 million bushels at the moment, and grain is moving forward from the country in volume that is unusual for this time of the year, and will continue to do so for a period.

Some three weeks ago orders were put out that the railroads should concentrate on points where the congestion has been chronic for some time. That has been done, and I think there are very few points on the prairies that have not had a fair movement of grain. If there are such points at the moment they will receive immediate attention from the transport controller.

The problem of tough and damp grain is more serious this year even than last year. We were able to deal with the situation last year without any loss of grain through spoilage. This year the problem is much more difficult. It is being met in part by marketing tough grain as tough grain, which we have been able to do in a few countries, and we are concentrating on the drying of damp grain. It is impossible to bring in new drying equipment for terminal elevators which would be effective this year. We have looked into that, and by the time the driers are manufactured and installed the season will be over. So far as we can foresee I doubt whether there will be any addition to the drying capacity, but I can assure my hon. friend that the drying capacity is being used to the limit and will continue to be so used until the damp grain is disposed of.

HOUSE OF COMMONS

AUDIBILITY OF DEBATE—INQUIRY AS TO PROGRESS IN INSTALLATION OF MICROPHONE SYSTEM

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the Minister of Public Works. What progress has been made with the design, construction and installation of a microphone system in the house?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I do not know whether I should give a report—

Some hon. Members: Louder.

Mr. Fournier (Hull): This matter comes under the jurisdiction of His Honour the Speaker. I will not hesitate to give a report very shortly—

Mr. Speaker: If I may interrupt the minister, I should like to assure him that, along with other hon. members, I also would like to hear a report.

Mr. Fournier (Hull): As Your Honour knows, this has been a very long-drawn-out question in the House of Commons. We have not yet reached unanimity amongst hon. members, but we are—

Some hon. Members: In what way?

Mr. Fournier (Hull): Well, some of them would like to remain *in statu quo*; while others would like to have some system. Our difficulty is trying to test a system. There are so many opinions as to what system should be tried out in the House of Commons that I spend hours myself thinking over which system I would approve of. But the report made by Mr. Speaker last session,

from the committee which sat on the question, recommended that we instal here a system similar to the one which is in the United Kingdom parliament buildings at Westminster. After that report, which was agreed to by the house, we did get in contact with the representatives of the Tannoy company of Britain. They have the specifications of the system over there, and we are trying to negotiate an agreement or a contract with them under which they would instal that system here, maintain it in a good state of repair and operate it. That is the way they have proceeded in the British House of Commons, but as yet an agreement has not been signed.

The public knows that there is no other firm in our country that could instal a similar system—and I have looked up the dictionary to find out what the word "similar" means—and that could make a bid or an offer to the department to instal that system, unless they secure from us the specifications of that system in Britain. We have not those specifications, and I do not think I should send an expert over to Britain to get the specifications without an assurance that we would get them, because they belong to that company.

These negotiations are going on and we really hope that some day they will sign the agreement, and proceed to instal the system. I cannot go any further than that.

Mr. Graydon: May I ask the minister one question? After the agreement has been executed, how long does the minister think it will take to have the system in operation in the house?

Mr. Fournier (Hull): I believe that it would still take some time because they would have to do all the work of installing the system, and have their own people to operate and maintain it. We propose to lease the system from that company, not purchase it, because we would not have the people to operate it or maintain it. In the agreement we are trying to lease that system so that we would not have trouble. If any trouble arose Mr. Speaker would attend to it with those who were working on the console or at the table.

Mr. Coldwell: Is there any correspondence in relation to this matter that could be placed before the house? Many of us were under the impression that the recommendation made last session was to be implemented, and many of us would like to know just what is holding up this matter. Is there any correspondence in relation to it?

[Mr. Fournier (Hull).]

Mr. Fournier (Hull): I know the hon. gentleman is right. We are supposed to implement the system, but it takes two parties to do that.

Mr. Coldwell: I know.

Mr. Fournier (Hull): It takes two parties to agree before we can get this agreement signed with that company. I cannot say when it will be signed. It is a complicated agreement that has been prepared. I will look into the file and if there is correspondence I will certainly table the documents.

Mr. Drew: May I suggest for the assistance of the Minister of Public Works that it is not necessary for him to send someone over to England to get the specifications. Canada House is reasonably well staffed with a competent staff—

Mr. Fournier (Hull): Not with engineers.

Mr. Drew: It should be possible for them to approach the appropriate officials over there to obtain the specifications. May I say in the most friendly way, because the minister is always so genial, that what he has just done is strangely reminiscent of that term used so often by the Minister of National Defence (Mr. Claxton) as a diversionary activity.

Mr. Fournier (Hull): Perhaps I am under a false impression, Mr. Speaker, but when a company devises plans and specifications I cannot see how the government can request them to furnish us with those plans or specifications. That is why we are dealing with the company. If they were general specifications we would ask for tenders, but I remind the house that in the past we did ask for tenders for a system here and there were six tenders, if I recall correctly, and we chose the lowest tender, and then we had to drop that because many people were not satisfied with the system proposed. Then Mr. Speaker went to Britain and made a report himself concerning that system.

Mr. Adamson: I just want to say that I was a member of the committee that sat and discussed this matter. During the sittings a transatlantic telephone conversation took place between the chief architect of the department and the company, and the intimation was to the effect that the work could be started within a period of between four and six months. As a matter of fact, I was rather surprised that it had not been installed for this session.

[*Later:*]

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I should like to ask the Minister of Public Works (Mr. Fournier) what person or persons in his department is or are responsible for the installation of a loud-speaker system in the House of Commons, and whether we may expect it at an early date?

CIGARETTES

REPORTED SHORTAGES OF DOMESTIC BRANDS

On the orders of the day:

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Is he aware of complaints by retail tobacconists that the cigarette manufacturers are rationing popular brands of cigarettes and so creating shortages of supply? If so, what action does the minister propose to take to assure a proper supply of good Canadian cigarettes?

An hon. Member: Roll your own.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I think this is somewhat outside the duties of the Minister of Trade and Commerce. I have heard there is a shortage of popular brands of cigarettes in the stores, but I have made no investigation in the matter. I cannot give a statement as to what can be done about it. I understand we are not very popular with the manufacturers of cigarettes; and perhaps they are trying to bring to the attention of the public the suggestion that the situation is not good. However, I shall be glad to look into the matter.

DEFENCE CONTRACTS

ORDERS PLACED BY UNITED STATES IN CANADA AND VICE VERSA

On the orders of the day:

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, the hon. member for Greenwood (Mr. Macdonnell) on Monday, December 10, asked a question as to the total defence purchases in Canada by the United States and the total purchases by Canada in the United States. I have a report here which I would be glad to send to him, or to table, whichever he would prefer.

However, the short answer is that official orders placed by the government of Canada in the United States amount to $502,739,872, whereas orders placed officially with Canada through the Canadian Commercial Corporation, by the United States, amount to $158,-123,147. The memorandum which accompanies this information points out that the reason for this is that the Canadian purchases were made off the shelf on articles immediately required to equip our troops pursuant to the decision to equip with Canadian types. Whereas, orders placed by the United States are, in part, token orders to provide for tooling, with the understanding that those orders will be followed by production orders when tooling is completed.

I might add that the department is not unhappy about a situation which, on the basis of firm orders placed, seems to be very much out of balance.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, the minister said the other day that the figure he has just given would be merely for government purchases. Is he in a position to estimate whether the disappointing disparity, which he has partly explained, would be made up in any way by private orders; or has the minister no knowledge whatever of those?

Mr. Howe: I have some knowledge of them. I know of substantial orders which have been placed, more particularly by American companies with their Canadian subsidiaries. I know of very substantial orders, but I have no knowledge of the total amount of those orders. I could only guess that they would amount to fully as much as the business that has been placed through Canadian Commercial Corporation. I would say it would be, perhaps, another $150 million.

TRANSPORT COMMISSIONERS

FILLING OF VACANCY ON THE BOARD

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask a question of the Minister of Transport. Will the vacancy on the board of transport commissioners resulting from the resignation of Mr. W. J. Patterson be filled at an early date? Is it the intention of the government to appoint a western Canadian to this vacancy?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I am not in a position to say when the vacancy on the board of transport commissioners will be filled, or from what part of Canada the incumbent will come. But when the decision is taken the government will announce it.

CIVIL SERVICE

DECEMBER 24 AND 31—QUESTION AS TO HOLIDAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Secretary of State (Mr. Bradley) I should like to ask a question of the Prime Minister. Can

the Prime Minister say whether the announcement made by the Secretary of State on December 5 to the effect that Monday, December 24, and Monday, December 31, will be observed as civil service holidays, under certain considerations, applies to prevailing rate employees such as the staff at the printing bureau?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I shall have to inquire into that. I am not in a position to say just how it will apply in the various services. It is something that, in a general way, is left to the discretion of the deputy ministers, to see that the essential public services are not interfered with by the manner in which these holidays are taken and observed.

Mr. Knowles: Perhaps the Prime Minister would answer later.

Mr. St. Laurent: I shall make inquiry about the conditions in connection with the prevailing rate employees. But I would imagine there would be differences with respect to them, as necessarily there will be differences with respect to the classified civil servants.

INQUIRY FOR RETURN

MANITOBA AND BRITISH COLUMBIA FLOODS—ASSISTANCE GRANTS

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to ask a question of the Minister of National Defence. On Monday, December 3, a question standing in my name was passed as an order for return. Would the minister make an effort to get that information to me before the session closes?

Hon. Brooke Claxton (Minister of National Defence): Yes, indeed.

CANADIAN BROADCASTING ACT

AMENDMENT TO INCREASE NUMBER OF GOVERNORS, PROVIDE PENSIONS AND FURTHER GRANTS

The house resumed, from Wednesday, December 12, consideration in committee of Bill No. 17, to amend the Canadian Broadcasting Act, 1936—Mr. McCann—Mr. Dion in the chair.

On section 1—"*Minister*".

Mr. Herridge: Mr. Chairman, I should like to make some observations. First of all, let me say I support wholeheartedly the point of view expressed yesterday by the hon. member for Rosetown-Biggar. Owing to the lateness of the session I shall not take the time to make any lengthy observations such as otherwise I would have made.

[Mr. Knowles.]

I must say, however, that my correspondence, and contacts I have with large numbers of people in my constituency, indicate a keen interest in this bill, and a general interest in the operations of the Canadian Broadcasting Corporation. Correspondence I have received recently, as a result of study of the measure by the committee, shows that there is a general appreciation of the services rendered by the C.B.C., and the work it is trying to do. Therefore I am safe in saying that there is general support from people in all parts of my constituency, so far as the work of the Canadian Broadcasting Corporation is concerned.

In a constituency such as that of Kootenay West, there are many who to a great extent depend upon radio for their entertainment. They live in isolated mining communities and logging camps. Among their number are prospectors, trappers and the like. On more than one occasion I have visited trappers at elevations of 5,000 or 6,000 feet, living at perhaps a distance of twenty-five miles from a neighbour. They have told me how much they appreciate receiving the C.B.C. news and other features of the corporation, when they can tune it in.

Those people working in the hills, in the mines, on the traplines and as prospectors, as well as those in the lumber camps, are entitled to receive more consideration because of the work they are doing and also because of their isolation. They are performing an important service for the benefit of the country in isolated places.

I now take advantage of this opportunity to raise a question I have brought to the attention of the house on several earlier occasions, and that was brought to the attention of the committee which sat prior to the one the sittings of which have just concluded. I wish to say that the concern of many listeners in both Kootenay West and Kootenay East is that better facilities be provided so that they may hear C.B.C. programs at all times. I have received a number of letters recently about this matter which no doubt were stimulated by the investigation into this bill by the committee, and I have had the matter brought to my attention by a good number of organizations from time to time.

There are two local stations in the area. The station at Trail is an excellent community station and I understand last year it gave something in the neighbourhood of $20,000 worth of free time to the community it serves. There is another station at Nelson about which I used to receive many complaints. In fairness to that station I must say that it has improved its services. These two stations are low in power and, generally

speaking, can only be depended upon to serve a limited area. A large number of the people in the northern sections of the Kootenays and in the isolated valleys are dependent to a great extent upon United States stations for their entertainment and news. This poor reception, most likely caused by the topography of the country, is particularly bad after nightfall. We are able to get some C.B.C. programs during the daytime from Trail, Kelowna, at times from Calgary and Vancouver, but after dark we are completely isolated from Canadian programs and must depend upon the United States stations.

As one who lives in the backwoods miles away from his neighbours I do not like to have to listen to the news according to Sperry's pancake flour, when other people are getting measured and objective news reports from the Canadian Broadcasting Corporation. I think the manner in which news broadcasts are given by the Canadian Broadcasting Corporation is indicative of our national temperament and lack of hysteria in times of crisis. Repeatedly, people in my constituency as well as visitors have told me that they have been impressed by the objective reporting of the Canadian Broadcasting Corporation. As I say, many people have asked why something cannot be done to provide them with an opportunity of hearing our own Canadian Broadcasting Corporation.

I am of the opinion that the general manager of the Canadian Broadcasting Corporation has some knowledge of my constituency, but officials in various departments have been inclined to look upon the Kootenays as being somewhat in the backwoods and possessing only a small population. Whatever their views may have been in the past, that situation has changed. The Consolidated Mining and Smelting Company are spending over $30 million on new developments. The mines in the area are spending another $10 million on new developments. Another $5 million is being spent on transportation and power facilities. Millions of dollars have been invested in saw mills and it is anticipated that an investment of over $70 million will be made within the next year or two in a pulp and paper industry.

All this means a great production of wealth and a large payment of taxes. According to *Business Week,* the Kootenays pay the largest amount of taxes per capita of any constituency with the exception of Westmount in Montreal. There will be an increased number of people working for the mines, the smelters, the lumbering industry and the future pulp and paper industry. I am making an appeal that something be done for the people of the southern interior of British Columbia in order that they may be able to hear the programs of the Canadian Broadcasting Corporation.

I am not a radio technician, in fact my mechanical ability is almost limited to oiling a wheel barrow, but people who know something about it tell me that we are not going to have satisfactory reception in the interior of British Columbia until a powerful station is located at Kamloops or at some other interior point. On occasion we can hear the Watrous, Saskatchewan station, which is a powerful station, and I am sure that it will require something of that nature to provide better service for the southern interior of British Columbia. I make this appeal to the minister and officials of the Canadian Broadcasting Corporation and urge they give consideration to this matter that has concerned so many people in Kootenay West and East for several years, and by so doing, recognize their needs and provide the proper service to that great and important part of this country.

Mr. Dinsdale: Mr. Chairman, notwithstanding the lateness of the session and the desire of many hon. members to bring it to a rapid conclusion in order to get home for Christmas I cannot resist the opportunity to say a few words on this important matter. It was my privilege to serve on the special committee on broadcasting, and as a new member who has been subjected to many experiences during the past few weeks, I must say that was the most stimulating and interesting experience of all. I have been interested in broadcasting, although perhaps not from the technical standpoint, for some time, and to come to grips with the concrete problems which face Canada in connection with this important matter was, as I say, a most stimulating experience.

I consider it most unfortunate that we should be pressed for time when we are considering this important subject. It seems to me that the whole field of broadcasting requires the maximum time for discussion so that we may clarify some of the confused thinking that obviously is present at the moment. As I took part in the discussions of the special committee I became increasingly aware of that confused thinking.

I consider this a most important topic because of the significance of radio broadcasting as a medium of communication in our complex civilization. Anything that plays a part in the communicating of ideas is significant. As has been the case with many other technological inventions and improvements, the attitude toward radio has been that it is a sort of panacea which will provide a

universal solution for all our ills. The feeling seems to be that all you have to do in order to straighten out any problem is to organize broadcasting in the right style, put it on the proper basis and everything will be well.

It was so with newspapers when they first appeared on the scene. It was thought that with the advent of the modern press the problems of democracy would be solved because there would be provided an excellent medium through which public opinion could be moulded. Above all, in a democracy we must be aware of public opinion.

The first bright hopes have been dimmed as we witnessed the increasing power of the yellow press in the hands of such journalists as William Randolph Hearst and Mr. McCormick of Chicago. This has tended to suggest that all is not sweetness and light so far as the use of this important medium is concerned.

I remember being involved in a debate as a young high school student on that old perennial subject of whether the pen is more powerful than the sword. I went around to all my fellow students and asked them if they read the editorial page, and did not get one affirmative response. That seemed to impress the judges because they awarded the verdict to our side. We were, incidentally, supporting "the sword".

Radio is somewhat different from the press. Radio deals with the spoken word, and the spoken word or oral tradition is more impressive in its effect than the written word. For example, the late President Roosevelt was able to exercise his tremendous influence on the people of the United States, notwithstanding the opposition of a good part of the press, because of his magnificent radio technique as demonstrated in the famous fireside chats. He could ooze through the ether right into the home. His ability in this regard was as significant as anything else in maintaining his influence in the United States.

We are well aware today, amidst the babel and confusion of voices, that the broadcasting medium is very important. I think perhaps here is where a good deal of the confusion arises in our thinking. There have been charges of blasphemous and indecent broadcasts and other kinds of nefarious activities over the C.B.C. during the present discussion. I think this partly arises from the fact that radio has come upon the scene very rapidly. Only yesterday the fiftieth anniversary of the first radio or wireless broadcast and reception was observed. I refer to the occasion when Marconi received the signal "S" across the north Atlantic. Radio has arrived on the scene very quickly and has developed rapidly as an accomplished technique just at a time of great social change and upheaval. Its significance in guiding and influencing human affairs of course has now become obvious. It was used with great effect under the nazi regime in Germany and the present communist regime in Russia. Therefore we who cherish freedom of speech and the other freedoms are very sensitive concerning the possibilities of the harmful influence of radio at the present time.

I have tried to be objective in this matter as I endeavoured to be objective in all the deliberations of the committee. I have looked through the scripts which were mentioned particularly and which were tabled for the members of the committee. I read carefully the speeches of Dr. Brock Chisholm, Mr. Bertrand Russell, Dr. Line, Dr. Hoyle, and so forth. This is not the first time I have encountered these gentlemen because they are standard fare on our university curricula. I recall making a feeble protest on the committee that one of the basic principles of academic freedom is that no restrictions be imposed with respect to the discussion of ideas. Perhaps I do not have to say this, but my own background so far as religion is concerned is of the fundamentalist variety. I deliberately projected myself into a study of the social sciences because I was somewhat alarmed from a layman's standpoint at a few of the ideas that were circulating. I wondered exactly what was involved in the new schools of thought that are growing up, particularly with reference to psychology, sociology, psychiatry and the social sciences generally.

As for Brock Chisholm, he is rather an extremist in the field, and I do not think he has been too influential since he became involved in the Santa Claus discussion some few years ago. Most hon. members will recall that he tried to criticize Father Christmas and stirred up a great tempest in a teapot as a result of carrying the Freudian idea somewhat too far. I was very interested in Bertrand Russell because back in the thirties he preached doctrines that were rather contrary to the best interests of the family, our basic unit of society. Bertrand Russell is a great mathematician and also somewhat of a philosopher. I think his line of thought has been practically discredited in the mind of anybody who has followed his ideas carefully because he is still a social evolutionist, and social evolution went down the drain

with the advent of world war I, world-wide depression, world war II and the difficulties that have since arisen.

With respect to Dr. Line, I believe he is connected with the university of Toronto. I think I can highlight the approach that he takes by referring to a little incident that occurred to me personally. I met a student from the department of psychology of the university of Toronto who was a great zealot for the mental hygiene movement. The mental hygiene movement is doing a very effective job in solving one of our major social problems, the problem of increasing mental illness. But like all new things these men who come up with new ideas and new formulas go off the deep end and begin to feel that their particular idea is the supreme good for which man has been looking all through the long centuries of his upward quest. This student was most enthusiastic about the beneficial effects of the mental hygiene movement. He said: "If I could only go across the nation in a great crusade and tell everybody about mental hygiene I am sure that a good many of society's difficulties would melt away". I said to him: "You sound almost like a religious fanatic in your enthusiasm for mental hygiene. You are attributing to the psychologist all the attributes of the Godhead, omniscience, omnipresence and so forth". He drew himself up very haughtily and said: "Are you not postulating God?" I think that is significant. I think it gets to the heart of the controversy in the struggle of ideas that is going on, the struggle of various ideologies for men's minds and souls during the disturbing times in which we are now living.

The farther I went in these respective fields of knowledge the more I realized their inadequacy and the more I realized that fundamental Christianity in the long run is big enough to smother and absorb any seeming inspiration or new viewpoint that might emerge out of these more scientific discussions. I do not think we need to be afraid of anything of that kind as long as we have a basic Christian philosophy, and as long as we endeavour to grasp the heights, depths and breadth of the wisdom that is involved in the Christian idea which underlies our western way of life.

If there is any danger at all from the threat of new ideologies I think it is because we have perhaps narrowed down our appreciation of Christianity to such an extent that it is not big enough to absorb the competition from these other ideas.

I would say something about the last script of Professor Hoyle's which was definitely atheistic. I am in receipt of a communication from the Student Christian Movement which, while supporting the right of freedom of expression, makes this reservation:

> We would, however, lay before you an additional request. It is true that while the broadcast in question did not deal in an explicit way with religion, some of them did proceed from assumptions that are antithetical to the religious and, more particularly, the Christian understanding of the universe and of human nature. While we would deplore any limiting of the freedom of expression of such points of view, we would, at the same time, request the C.B.C. to make provision for the presentation of the Christian position in broadcasts of as high a calibre as those being called in question.

Mr. Coldwell: Was that not done with regard to Dr. Hoyle's broadcast?

Mr. Dinsdale: I think it was. I merely present that statement for the record. My viewpoint is very much the same as that presented in the communication from the Student Christian Movement. I feel that Dr. Hoyle's discussion was not relevant to the main theme that was established in these psychological broadcasts, and it is perhaps unfortunate that it was included in the series. However, I am not fearful for the ideological or spiritual well-being of Canadians so long as we can press home the basic facts of our own Christian viewpoint.

The difficulty is, of course, that we are all somewhat egocentric, and we look at the world from our own particular viewpoint. It reminds me of the elderly couple who were discussing the world as they saw it, and the gentleman said to his wife, "You know, sometimes I think that everybody in the world is a bit queer except you and me, and sometimes I think even you are a bit queer". I believe that is at the root of this problem of failing to appreciate the other viewpoint.

In our discussions in the special committee we were mainly guided by the report of the Massey commission. This commission has done a magnificent job for the advancement of arts and sciences in Canada. But sometimes I am persuaded to think the commission is a bit idealistic in its approach—and perhaps we need more idealism. It seems to support the notion that radio can be the panacea and solve all our difficulties if we only handle it correctly. I agree with the commission's criticism that the springs of culture are changing from the universities and the church and are now lodged in Hollywood and the radio and other mechanized means of communication. It is important that both of these sources of information, these sources of publication and communication, should cater to a higher level than that to which they have tended to cater when they are

operating on a strictly commercialized basis. Hence the reason why I am basically in support of an institution such as the C.B.C.

But I do not think we are going to see any great upsurge in cultural interests as the result of that emphasis in radio broadcasting. It will be gradual, and I can agree with the Massey commission that we must move in that direction. I see no immediate possibility, however, of establishing a nation of highbrows, particularly in some of the outlying regions of this vast country of ours. I repeat that there is no technological solution, there is no technological panacea for the problems that are besetting our western way of life, both social and political. Today there is no simple, easy formula that will come to grips with all these difficulties.

We come now to the problem of broadcasting regulation which was a very controversial matter in the committee discussions. In order to present my viewpoint, I feel I shall have to refer briefly to the situation in the United States. I have pointed out that radio broadcasting there developed quickly and in a haphazard fashion. For example, I am told that from 1922 on, the popularity of radio spread like wildfire simultaneously in all countries. In the United States 90 per cent of the families in the northern states own one or more radios. Canada had over a million licensed sets in 1945, which was an increase of 450 per cent over 1934. Figures are similar for other countries.

There have been, perhaps, three distinct periods in the development of radio. As I say the development has been haphazard and without any direction, because it was an invention which appeared so suddenly. First of all, there was the novelty period from 1919 to 1922. Then it was regarded as a profit rainbow from 1922 to 1926, when the advantages of commercialization were seen. Then it had a period of adolescence from 1926 to 1936, when it came into competition with the newspaper advertising. Finally, it achieved success and became more or less established from 1936 onward. By then radio had stopped apologizing, and was a well-organized entity with a definite character. Radio advertising had gotten away from its earlier, primitive forms and had tended to become somewhat of an art, although we must confess there are still some of these primitive forms surviving, unfortunately. We have heard references to them during these discussions on broadcasting. No doubt a good deal of the experience of the United States in radio broadcasting has been that of perpetuating mediocrity. As we listen to the emotional contortions of the soap operas, which is one of the frequent forms of program heard on the United States airwaves, some of us feel that radio broadcasting is far from being a mature medium.

It was the reaction to that sort of haphazard and uncontrolled development, when even too many channels were allotted to private broadcasting in the United States, that led to the B.B.C. complete state monopoly. Canada began to consider the problem back in 1929, and it was strongly influenced by both the United States experience and by the B.B.C. experience. During our discussions in the committee, I could not help but come to the conclusion that circumstances in broadcasting have changed rather remarkably since the Aird commission first made its report. At that time the conception was that broadcasting was a state monopoly, and there would be no private operators. Notwithstanding that fact, there are today 135 private radio operators in Canada. Admittedly they have all made a real contribution to radio broadcasting in this country. I have not stopped to examine why private broadcasting continued to survive, but no doubt it is due to the geographic nature of Canada. Notwithstanding the original intent of the Aird commission, we do have private broadcasting, and especially at the local community level it is doing a particularly fine job. It was obvious, as we listened to the private broadcasters' brief, that they are dissatisfied with the present arrangements for broadcasting in Canada.

It seems to me that the time has come when we might rethink and reformulate our attitude toward private broadcasting or toward broadcasting generally on the lines of some of the recommendations that have been made by the Canadian Association of Broadcasters. The press is taking up this theme. The Winnipeg *Free Press* has recently taken up the theme rather strenuously and is suggesting that some rethinking be done with regard to the basic philosophy towards broadcasting. I have here in my hand a clipping from the Winnipeg *Free Press*. Perhaps it would help if I were to put it on the record. It reads in part as follows:

> For years the case for monopoly in broadcasting seemed overwhelming. So far as the layman was concerned it rested on technical arguments that a monopoly was inevitable, or if not inevitable, at least highly desirable. In Canada the threat of Americanization through programs "piped in" to Canada was also a very powerful factor.
>
> It is, in fact, a very considerable tribute to the power of the idea of private enterprise in radio, diversification and independence, that in spite of the Aird commission proposal to close up or take over all private stations, and subsequent parliamentary studies strongly favouring the C.B.C., these private

stations have grown steadily in number and in revenue, which in turn reflects increased listening by the Canadian public.

The report goes on to indicate that as radio has grown up, as it has matured, as it has grown from a haphazard uncontrolled stage of development, we are beginning to alter our attitude towards radio broadcasting and are wondering whether under the present set-up we are not violating fundamental principles of freedom of expression.

This thought leads to the suggestion that has been put forward, not only during the present discussion but on former occasions, as to the desirability of an independent regulatory body or the other suggestion that has been put forward during these discussions, namely, that some sort of a joint planning committee might be arranged whereby there could be direct, constant, continuing liaison between the C.B.C. and the C.A.B. I am getting away from the terms of the present bill, but every time this subject is discussed and every time briefs are presented I think it is obvious that there is great agitation for development of this kind, and it would seem high time that some attention was given to these requests.

I was greatly impressed by one of the closing statements made by the chairman of the board of governors of the C.B.C., Mr. Dunton, when he said something to the effect that he hoped that parliament would define the radio broadcasting situation in Canada in sufficiently clear terms so that those engaged in the practical problems of broadcasting could get on with those practical problems, so that a state of relative stability would be established, making it unnecessary to be dealing constantly with those problems that have been emerging, particularly since 1936, the date I gave for the emergence of maturity in radio broadcasting.

I do not want to speak much longer, but I believe these are basic issues. The very fact that they are being discussed so frequently in the newspapers across the country and the very fact that they come up for discussion in the regular meetings of the committee on broadcasting indicate that they are real problems which must be faced constructively and directly in the near future.

I do not want to get launched into a general discussion of the problem of freedom of expression because that is a job for lawyers, and I will leave it to them. It is a topic however that should figure prominently in this debate.

In concluding, I might say just a word with regard to the licence fee. This matter was discussed in the committee and the impression I received was that the problem of licensing radio receiving stations had become so difficult that it was hardly any longer a profitable venture. Recommendations were made by the C.A.B. and by some of the members that the licence fee might well be dispensed with. For example, we heard charges that the collection of the licence fee lent itself to techniques of racketeering, where unqualified licence sellers would approach unsuspecting householders and ask if they had bought their licences—of course, nobody ever knows whether or not he has a licence; I myself cannot remember. Because of the fear of being prosecuted, the householder would immediately buy a licence, whether he had one or not. That was one difficulty brought out. On the other hand it was pointed out that there are a large number of citizens who are never successfully apprehended and forced to pay their licence fee. I have here a quotation from the *Globe and Mail* of November 5, which outlines the situation in Toronto as follows:

> It was announced recently that nearly 450 people were being prosecuted in the Toronto area alone, and that since last July, 1,800 delinquent owners who had failed to buy the 1951 licence had been found by house-to-house canvassing in this district by government inspectors.

If we got to the bottom of the problem, it might even be found that there would be in this chamber confessions similar to the one we heard recently with regard to smuggling, and that even some of the hon. members of this assembly are not in possession of their radio licences.

Most of the matters that I have discussed this morning are not up for review in the bill before us at the present time. But as one who had the privilege of serving on this committee, Mr. Chairman, I felt constrained to deal with them and to present, as briefly as possible, my own reaction to the situation.

Mr. Blackmore: Mr. Chairman, before this item passes I feel that I should say something along the line that was being followed by the hon. member for Macleod last night. The privilege of speaking over the C.B.C. is in some respects almost a sacred one. Only those who are entirely worthy should have that privilege. I am not sure that Mr. Brock Chisholm, who was under discussion for a short time last night, has qualified himself for that opportunity. I should like to quote three passages from his speech delivered on September 5, 1951, and to comment upon those passages briefly, bearing in mind that Canada is first and foremost a Christian country. I doubt if you can find anywhere in the world more devout Christians than the splendid people who speak French in Canada. I know that great numbers of the people who speak

English in Canada are likewise devout in high degree. I believe that these people have a right to have their preferences respected. Having said that, may I read the passages I have in mind?

> Third, the experts would need to be identified as modern experts, not hereditary or traditional ones, who would advise on the basis of obsolete concepts, on long-past certainties which they had learned in their childhoods from their ancestors' ideas.

Mr. Chisholm may not have meant anything subversive by these remarks, but being unqualified as they are, they are open to the most adverse interpretations. What is the interpretation that would naturally be placed upon this passage by anyone who had studied modern science in our schools? Would it not be something like this? "Well, we really should not pay very much attention now to such figures as Moses. He is clearly out of date, obsolete. And that man, David, who wrote the Psalms—we cannot give very much attention to his ideas! And that Isaiah would be definitely a second rater or third rater! And the Saviour of the world would be one of those antiquated experts!" Look at what it means!

And that kind of doctrine is poured into the ears of our unsuspecting boys and girls of teen-age, unsuspecting and defenceless! They have the right to expect that anything that comes over the Canadian Broadcasting Corporation is of the very highest validity and respectability. Well, listen to that! That is a matter which cannot be treated lightly.

May I read another passage from the same speech? This includes some of the words that the hon. member for Macleod read last night, but I wish to get another passage in the context, so I shall have to read it again:

> The rate of increase in world population has jumped to about 68,000 a day. Are you among the hundreds of millions of people who are avoiding this frightening fact?

"Avoiding"; what does that mean? I continue:

> Are you among those whose opinion, based on some authoritarian prejudice, prevents delegates to the United Nations bodies, even the population commission, from tackling this problem?

"Tackling it". By, for example, making a world law under which people shall be restricted in the matter of their increase, and probably sterilized after a certain number of children? How does that sound to the devout members from Quebec? I continue:

> Do you think you will be left plenty of room, in North America for instance, when within a few years, hundreds of millions of people from Asia and Europe must go somewhere if their birth rate remains anywhere near its present level?

[Mr. Blackmore.]

What is the implication of that? The speech goes on:

> Yes, we can avoid this question but our children will pay for our cowardice if we do. These are only illustrations of our need to know ourselves.

Mr. Low: Pretty subtle.

Mr. Blackmore: Without qualifications the implication of that is just as clear as the moon in a cloudless midnight sky. Obviously he is indoctrinating in favour of birth control.

Mr. Low: And the Canadian Broadcasting Corporation pays him for it.

Mr. Blackmore: And we pay the Canadian Broadcasting Corporation.

Mr. Fleming: That is against regulations.

Mr. Blackmore: See how serious that is. This man, in advocating birth control, of course would have no concern—I hope I am not unfair; I want to be fair—but he apparently is not concerned at all about what the Creator of the earth thought about this matter of birth control. May I read into the record what God said in Genesis, chapter 1, verses 27 and 28. I read as follows:

> 27. So God created man in his own image, in the image of God created he him; male and female created he them.
> 28. And God blessed them, and God said unto them, Be fruitful, and multiply, and replenish the earth, and subdue it; and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth.

Apparently God was not much worried about those "hundreds of millions" who would come sweeping over us. Probably Mr. Chisholm has never read the 127th psalm, commencing with the third verse. I will read it into the record so that his friends can point it out to him:

> 3. Lo, children are an heritage of the Lord: and the fruit of the womb is his reward.
> 4. As arrows are in the hand of a mighty man; so are children of the youth.
> 5. Happy is the man that hath his quiver full of them: they shall not be ashamed, but they shall speak with the enemies in the gate.

There are serious implications to all this, Mr. Chairman. It just happens that the main people in the world who are foolish enough to listen to the doctrine of birth control are the English-speaking people. Now they are limiting their children while the potential enemy is multiplying abundantly. And what is the meaning? Given several generations, and the English-speaking people will not "speak with the enemies in the gate."

Mr. Low: Hear, hear. They will get down on their knees and plead for mercy.

Mr. Blackmore: They will be lucky if they are alive. I do not wish to go too deeply into

this whole matter. I am tempted to say something even further. I believe I will read the next passage, but before I do that may I say in passing, Mr. Chairman, that we need to bear in mind that the greatgrandfathers of the men in this House of Commons had families of eight, ten, twelve and fourteen children, while the men in this house—I do not wish to mention any of them at all—are lucky if they have three and two and one. What is the reason, in a time when we can make maternity almost painless and astonishingly safe, when we know more about nourishing people than man ever knew, when we can provide more nutritious food of greater varieties than any generation that has ever lived, why is it that today our families are two and three? What has brought this thing about?

Mr. Chairman, I will dare wager that there has been through the years an indoctrination by the men who drafted the patterns that Brock Chisholm is pouring out in the ears of Canadian people, doctrines that originated more than a hundred years ago. That indoctrination has little by little borne fruit, until now only those who have the most implicit faith in the Bible have families of substantial size.

Let us remember once again that we fight enemies with manpower. We produce goods to fight enemies with manpower. We raise goods to fight inflation with manpower. Manpower, the fountain of our manpower, is being dried up at its source. How? By men like Brock Chisholm. It is bad enough for people to steal around on the streets, to meet women on the corners and to talk contraception and birth control. But to have a man free to pour that doctrine premeditatedly over the airways of the C.B.C. is a monstrosity which strikes me almost petrified with amazement. A person like me stands completely astounded when I see that the C.B.C. would even tolerate a thing like that.

Mr. Low: Let alone take our tax money to pay for it.

Mr. Blackmore: But there it is. It was done—and no doubt it was done in other broadcasts. And it was done directly against the will of eighty per cent of the people of Canada, I wager.

We talk about having public control of the C.B.C. We see men rising in the house and saying that the C.B.C. should be able to control all our radio broadcasting. Well, to answer such a foolhardy argument one needs no more than that illustration, does he? And it is a foolhardy argument, let me repeat, to say that the C.B.C. should exercise complete control over radio broadcasting in Canada. I do not care who it is that advocates that argument, what I say is true. Some of these days, when it is too late, he will repent of his error.

Let me read again from what Brock Chisholm said:

> It is utterly ridiculous for a person to attend an international conference of any kind if he has not at least prepared himself by some study of the history, the ethical systems, and the religions of the natives of the countries with whom he will be discussing matters of concern to all of us.

I put that on record, not because I am particularly concerned about it, but to be fair by giving the context. And then he continues:

> Some knowledge of normal psychology, at least some knowledge of minor psycho-pathology, something of history and perhaps most importantly, comparative religion—

What is that?

> —is an absolute essential to effective work in the international field.

"Effective"—in what regard?

> The time has not yet come when the peoples of countries regard their responsibilities with such importance that they make sure they do send the right people to all international meetings to represent them and to see that war will not occur again.

I wonder if Canadians have sensed their responsibility in sending Brock Chisholm to those meetings? He assumes, I suppose, that he was predestined from his mother's womb to go to these meetings. And apparently the C.B.C. feel that he was so predestined to talk over the radio.

Well, I face the matter with considerable reservation. I have been hesitating all morning as to whether I should say what I am now going to say. But I believe I will say it. I wonder if hon. members know where communism began. I wonder if they know that the broad pattern of communism was laid down in 1812 with the death of a certain great international financier. In 1812 this great international financier, whose name I shall not mention, but whose name I could give, just as quickly as I now snap my finger, gave his sons a commission to destroy Christianity and to destroy the British commonwealth.

That is not idle fancy; that is verifiable fact. And the device they were to use to destroy both of them was to destroy man's faith in the bible. Now, how were they to go about that? He left them adequately supplied with money. This is the device they used: they built up what was known as the new learning. They built up in Germany what they called the new learning, and they brought that new learning into the seminaries where the young priests of Britain were being taught.

What was the new learning? First of all there was the evolutionary theory, that man arose from maggots, lice, monkeys. And they literally filled our textbooks, entirely against the will of the people, with propaganda in favour of evolution; and never a word in any way in answer to the pernicious doctrine—a doctrine which modern science has proved is utterly false. That was No. 1.

No. 2: Higher criticism. Higher criticism had a considerable vogue in the last two generations. Briefly it was a systematic calling in question of the bible text, as to authorship, arrangement, dates, and historic accuracy. You hear very little of it today. But the malignant evil which resulted from it has persisted. It got in among the people —the tendency to doubt the verbal or verbatim authenticity and validity of the bible.

No. 3: Comparative religion. What is comparative religion? Well, in a general way, this is the approach of comparative religion: that Christ was not the original teacher of Christianity at all, but that before He began His ministry He went to visit the people roundabout so as to familiarize Himself with their religions. Then, out of what He learned from the various religions they say He concocted His own religion—so that Christianity would become a hodgepodge of the various religions in the world.

Now, to the person who does not understand the origin of religion, the arguments advanced are completely plausible, completely convincing—but they are utterly false.

What has been the result of these three lines of attack? The result has been to destroy faith in the bible, to destroy faith in the living God, to destroy faith in the Originator of Christianity, the original Teacher of Christianity, as well as faith in the Saviour of the world.

And notice that in his speech this man Chisholm mentions "comparative religion" as one of the qualifications to go to the United Nations—as though that had anything to do with it. What is the result of the whole thing? The result of it is that the people of Canada are tolerating such pernicious doctrines as I have read into the record, tolerating them over the C.B.C!

Did those international plotters succeed? Admirably—admirably! They still are succeeding.

What was the first result of the lack of faith in the bible? Diminution of the Anglo-Saxon birthrate. That was the first thing. One can understand men and women toiling and struggling, the way our admirable people in Canada who have large families are doing. One can understand their doing that, if they believe they are raising daughters and sons of God. But one can understand their reticence to do it if they were to believe they were just raising monkeys. The ordinary man or woman is basically capable of drawing such conclusions—and they do it.

The result has been a disastrous falling off in the birthrate in the Anglo-Saxon world, while other people have gone on to multiply, as the Creator commanded them to do. I do not know whether I should say any more upon this point than I have already said. I think all can see that I am thoroughly justified in condemning without qualification the man Brock Chisholm as a candidate to speak over the C.B.C.

I feel that some would want me to say just a word or two as to what we are going to do about population. It may be said that people are multiplying and what are we going to do about them? The first thing to remember is that God does not seem to worry about them. We shall find in this world plenty of resources to supply the needs of all the children that will grow up if we just use our God-given intelligence instead of our antiquated prejudice in the production of goods from the resources of the world and the distribution of those goods to the people of the world. We need have no anxiety. Do our United Nations conferences spend any time talking effectively about how to get goods from the United States, to India, to China, to Siam, to Malaya, to Java or to Japan? They have never spent any time apparently at these wonderful United Nations meetings trying effectively to solve that problem, but we do have our representatives, no doubt under the guidance of the Brock Chisholms, trying to figure out how to give the United Nations control so that they will be able to sterilize the females in India for instance who have had two children. That is the only implication to be taken from the words I have read.

What do we suppose devout Hindoos and Mohammedans will think after they come into contact with a document of this kind? What will they think about a United Nations organization that would be activated by thinking of that sort? I can conceive of nothing that would be better calculated to drive them into fervent horror. Yet seemingly this man is considered eminently suited to go to international conventions! After a time they will be devising ways to stop population increase in China and ultimately they would show Canada what to do.

I urge upon those people who have charge of the C.B.C. to be careful of the kind of thing they allow to go over the air. They should

not assume, because many of the people they come in contact with are agnostics and atheists, that everybody in Canada ought to be an agnostic or atheist and that if he is not, it is high time he was taught over the radio to be an agnostic or atheist. The first step toward communism is atheism!

Mr. Low: I intend to take but a few minutes to follow what the hon. member for Lethbridge has said and to endorse wholeheartedly what he has said. I speak only because in the course of the debate my name has been mentioned and certain things said which I feel I should answer briefly. To bring you up to date, let me say that on November 9, as reported on page 886 of *Hansard*, I spoke on the motion to refer the bill to the committee. In the course of that short address I had some things to say about the C.B.C. and more particularly about freedom of speech.

On November 20 the hon. member for Winnipeg North proceeded to take me to task in my absence, although the hon. gentleman did say that he would have been prepared to take me more strongly to task had I been in the house. I am grateful for his consideration and solicitude. On that occasion he said, and I quote from page 1211 of *Hansard* as follows:

I regret very much that the hon. member for Peace River (Mr. Low) has been called away from the house on business. I was going to devote some little time to him but in his absence I shall have to modify my remarks. At least the hon. member for Peace River named names. He named one, Dr. Brock Chisholm, who he said has a poisonous mind. A Liberal member said the other night in the house that atheism was being preached over the C.B.C. When I asked him afterwards who was responsible he said it was Dr. Brock Chisholm and Dr. Ewen Cameron.

He then went on to say some other things which I shall quote briefly in a few moments. I stated on November 9 that I was not an intensive listener to the C.B.C. nor to the radio as I had not the time to listen to much of the stuff that comes over the C.B.C. I stated that I felt that I had other important things to do. But I do listen to some of the programs which I enjoy.

I did make the statement that as I went about the country people would tell me their opinion of the C.B.C. broadcasts and I said also that I had accumulated a considerable quantity of criticism, particularly of the commentators. I did mention Dr. Brock Chisholm and suggested that he was spreading his poisonous ideas over the airways. I do not take that back for one second. What has been said today by my colleague, the hon. member for Lethbridge, is ample evidence that Dr. Chisholm has been spreading his poisonous ideas over the airways of this country.

I should like to quote one or two things to indicate that I was making no idle charge. I am not afraid to mention those who have been frequently named as being leftists. I stated on November 9 that many people throughout Canada felt that the roster of commentators engaged by the C.B.C. and paid by the C.B.C. were heavily weighted to the left. I am going to quote one or two things which I have picked up at random out of the file I have accumulated to indicate that a great many people in this country feel as I do.

At one o'clock the committee took recess.

The committee resumed at 2.30 p.m.

Mr. Low: Mr. Chairman, when the noon recess was called I was about to put evidence on the record to support what I had said earlier while the resolution preceding the present measure was before the house for consideration. I should like to quote from two or three documents I have in my possession to illustrate the kind of thing that many people throughout Canada are thinking and to give support to what my friend and colleague, the hon. member for Lethbridge, has already said. I have here a copy of a Canadian Pacific telegram, dated November 26, 1951, addressed to the chairman and members of the select committee on the Canadian Broadcasting Corporation. These are the words which the sender of the telegram used:

Sirs:

Canadian Broadcasting Corporation again last evening on Week-end Review presented another of those speakers who can generally be counted upon to put across a degree of service to Stalin and his gang, as has been done notably since the start of the Korean war by so many Week-end Reviews and by certain special Sunday evening speakers who follow. A study of scripts by Constance Garneau, Woodsworth, Richardson, Jamieson, Hitchcock and others will reveal, with rare exception, consistent clever subtle propaganda for recognition of red China or turning over Formosa or cold shoulder to Spain or warning against provoking Russia, etc., all cleverly intermingled with many fine ideas and condemnation of certain aspects of communist behaviour but always putting over a line of thought such as Stalin and his gang are anxious to have prevail, even including cleavage between Britain and the United States or Canada and the United States. Moreover, in these week-end presentations I have never heard counter views as Dunton and others so piously pretend when they tell your committee all viewpoints are given hearing. This I categorically deny, and it can be disproved by any qualified sincere painstaking individual given access to pertinent records. Hitchcock's declaration last night that Vishinsky represents 90 million Russians is sample. Viskinsky represents a clique of armed bandits as does each of the delegates from Poland and the satellite countries where people have no voice and no representation. At the same time Hitchcock twists significance of excellent ideas expressed by Prime Minister St. Laurent and uses other most aceptable

theories of his own to bolster his basic propaganda confusing the concept of the enemy at this hour and undermining resolve and unity of free nations.

Mr. Knowles: Who is that from?

Mr. Low: It is from John J. Fitzgerald of Blind River. It is on the record of the committee, or should be. Evidently this gentleman is a constant listener and he has taken particular pains to note the number of times that these week-end reviewers do put over the kind of propaganda that he mentions in his telegram. On other occasions the same gentleman has written to officials of the Canadian Broadcasting Corporation about the same matter. I have in my hand a copy of a letter which he sent to Mr. Dunton, Mr. Frigon, Donald Manson and Ernest Bushnell on the twenty-fifth of June last. I should like to quote one paragraph which reads as follows:

From recent correspondence which is of record a conclusion is imposed that C.B.C. program officials are so zealous in the art of getting away with all the traffic will bear of sugar-coated poison that these officials, when Mr. Woodsworth is not available or repetition of his appearance too conspicuous, feel impelled to get Mr. Richardson from the same newspaper to make sure that the desired line will be faithfully maintained. One would think that speakers like Willson Woodside given a rare hearing just as a smoke screen. Grattan O'Leary and Robert Keyserlingk did not exist.

That sort of thing is heard all over the Dominion of Canada. It is not just an isolated case. I hold in my hand a clipping from *The Ensign* of April 7 last. The heading of the article is, "C.B.C. Broadcast Arouses Grave Concern". The article is from New York and reads as follows:

Surprise and grave concern have been expressed here over the Canadian Broadcasting Corporation's action last week in broadcasting from Lake Success the now discredited opinions of Owen Lattimore concerning red China and the nationalist government. It was pointed out that none of the American broadcasting systems would scarcely even consider putting Lattimore on the air because of his apparent communist sympathies. Why, it was asked, did the C.B.C. choose to do so? On the C.B.C. broadcast—an interview with United Nations correspondents—Lattimore repeated a number of pro-communist propaganda statements. Lattimore, who attempted to sell the idea that the Chinese communists were merely "agrarian reformers", hinted that the west should let Formosa go if the reds attacked the nationalist stronghold. The nationalist government, he claimed, is a "thing of the past", and there was no prospect of reinstating it in China. He said the United States was foolishly alienating support of Asiatic countries by trying to impose on them major decisions made outside of Asia. He cited the branding of red China as an aggressor in Korea as an example.

Mr. Coldwell: From what news agency does that come?

Mr. Low: I do not know. As a matter of fact the clipping came into my hands from a correspondent.

[Mr. Low.]

Mr. Coldwell: Is there no identification?

Mr. Low: Yes, it is from *The Ensign* of April 7, 1951.

Mr. Coldwell: As it is supposed to be from New York I was wondering what news agency sent it.

Mr. Low: I do not know. As a matter of fact, as I said, a correspondent sent it to me along with criticisms the like of which I have already put on the record, and it did not come from the same correspondent who sent the telegram and letter I have already quoted. One could cite and put on the record thousands of such protests. The hon. member for Macleod, who was a member of the committee that studied this legislation and the report of the C.B.C., asked during the committee meetings for a list of all commentators and the dates on which they spoke. He has been unsuccessful in getting that information. He has been told on several occasions that it just is not possible to get it. There is something very wrong if it is not possible to get that list. I think members of the house ought to have such information and the C.B.C. officials should be quite ready to supply it. It is the only way in the world that you can set at rest the minds of members of parliament when so many of them have the idea that the news commentators especially have been for years heavily weighted to the left.

Mr. Robinson: Will the hon. member permit a question?

Mr. Low: Yes.

Mr. Robinson: Is it not true that the hon. member for Macleod withdrew that request when it was explained to him that it would require a great deal of time to supply the information?

Mr. Low: I do not know whether he withdrew it, but the fact remains that the C.B.C. stated that it could not be obtained because it would require so much work. However, that is no excuse. If the C.B.C. and the department are anxious to set at rest the minds of the people of this country, they will supply the information no matter how much time it takes; that is the contention we put forward.

I should like to go back, for just a moment, Mr. Chairman, to the speech given by the hon. member for Winnipeg North on November 20, because it relates to what I have been saying.

The hon. member said this as recorded at page 1211 of *Hansard* for November 20:

At least we have names . . .

He paid me the compliment of being prepared to at least suggest the names. I said there were people across this country who

believed that the news commentators and week-end commentators were heavily weighted to the left. He said:

> At least we have names and we have the scripts of what these men said over the C.B.C.

Now, I ask the members of the committee to particularly note these words used by the hon. member for Winnipeg North:

> They said more or less what is being taught in the universities and colleges of Canada today.

I should like to make one comment on that. We know there are a lot of things being taught in universities and colleges today that are pure rot, and ought not to be taught. But in the interests of freedom of speech, and in the interests of freedom of thought, we concede the right of the colleges to teach them. I am not protesting against that now, although I tell you it is a terrible thing when so many of our immature boys and girls have to be subjected to some of the things that are being taught in our colleges. The thing I am trying to get at is that, even if there are things being taught in the colleges and universities today, that is no reason why the same things should be taught over the C.B.C., where no one can ask questions; where no one can call for an examination or give an answer. It is against that sort of thing, Mr. Chairman, that I protest. The hon. member continues:

> Why should not the ordinary person have the advantage of that teaching? Now let us consider this poison of which Dr. Brock Chisholm is accused. He said—and this seems to be his philosophy—

The hon. member for Winnipeg North goes on and quotes from the same broadcast as that from which my hon. friend quoted when he spoke in this debate immediately preceding me. But this is the extract the hon. member for Winnipeg North quotes:

> When we can live together in understanding and tolerance and compassion and in the hope that we may be able, enough of us, to love our neighbour whatever his race, religion, colour of skin, ideology, economic or social group—when we can do that, we shall no longer be found in the ranks of man's last enemy—himself. Instead we shall become friends of, and assets to, mankind.

Then the hon. member for Winnipeg North says: "Is that poison?" Well, Mr. Chairman, the hon. member for Winnipeg North selects a noble and high sentiment out of a whole broadcast and quotes it, then asks if that is poison. I answer him readily, no.

Mr. Blackmore: You could put strychnine in a good piece of meat.

Mr. Low: Yes, you could put strychnine in a good piece of meat, as the hon. member says. Doubtless in the course of his broadcasts Dr. Chisholm does express some high sentiments. There is no doubt about that at all. What we object to is not those high sentiments, those noble thoughts such as the isolated one or two the hon. member for Winnipeg North quoted. The hon. member for Lethbridge attempted to ask the hon. member for Winnipeg North if it was to those noble sentiments that I was referring, but the member for Winnipeg North would not reply to the question.

Those were not what I was referring to at all when I described some of Dr. Chisholm's ideas as poison. What I was referring to was exactly the type of statements quoted from Dr. Chisholm's broadcast by the hon. member for Lethbridge. He quoted three and showed how they were very concentrated and subtle propaganda. That I believe; and it was the kind of thing to which I took exception, not the noble statements quoted by the hon. member for Winnipeg North. I do not intend to put the three quotations used by the hon. member for Lethbridge on the record again. I do not want to take that time, but I should like to pass on to something else that was said by the hon. member for Winnipeg North and which requires some consideration.

The hon. member quoted from a radio address which I gave on December 18, 1946, on a program entitled "The Nation's Business". After quoting what I said about a tie-up between international communism, international finance and international political zionism, he used these words:

> These are the views of the member for Peace River. I have no doubt they were spoken with conviction, but he is convinced of things which I believe to be wrong. He has faiths and beliefs which I cannot accept; and he is loyal to ideas which I abhor and scorn. I would say indeed that the ideas enunciated in that broadcast were dangerously subversive, that they approached something close to racial hatred.

The point I was making in that broadcast from which the member for Winnipeg North quoted this excerpt was that I believed fully and deeply that there was a tie-up, and had been for many years, between three international policies: international communism, international finance, and international political zionism. I am not going to debate that proposition today, because this is not the proper place. I say now that I am prepared to debate it with the hon. member for Winnipeg North or anyone else, because I have the information upon which to base my beliefs, and evidence to support my claim. But that is not the point. I ask hon. members of this committee, what can be subversive about the exposure of sinister designs that are intended to undermine and destroy the things and institutions which provide our safety, yes, our freedom and our happiness in this country and in the British commonwealth? What I was discussing in that broadcast was policies, not people. I was discussing the policy of

international communism, the policy of international finance and the policy of international political zionism. I sought to show that there was a close tie-up between them.

What can be subversive in the discussion of policies, and especially those policies? If by subversive the hon. member for Winnipeg North means an effort to expose the policies for what they really are, or my effort to prevent the achievement of the design against the freedom and well-being of the people of the world, but more particularly the people of the British commonwealth of nations, then I do not in the least mind being called subversive. Evidently the hon. member for Winnipeg North loves these three policies I have named, and which I did my best to expose for what they really are. I shall always do my best to expose them for what they really are. The hon. member says in reference to me:

> He has faiths and beliefs which I cannot accept; he is loyal to ideas which I abhor and scorn.

Then he goes on to say what those ideas are. Here are his words:

> I would say indeed that the ideas enunciated in that broadcast were dangerously subversive, that they approached something close to racial hatred.

Mr. Chairman, if he does not love these policies that I have already named for you, at least he condones them because he abhorred what I said about them.

It has always been quite surprising to me, Mr. Chairman, that some people have been exceedingly touchy about the discussion of certain policies. They get jittery, and in order to divert attention from telling arguments that may be advanced about those policies, they resort to personal smear tactics and even to character assassination. It almost makes one feel that they have something to fear from the discussion of those policies. That may not be the case with my friend the hon. member for Winnipeg North; but when one attempts to discuss a policy, and, when someone else stands up in the house and says that it is dangerously subversive and akin to racial hatred, when it is not even remotely related to either, one begins to wonder if that person is not worried lest the truth come out. I am of the opinion that that is exactly the situation with regard to the hon. member for Winnipeg North.

Let me just make clear, once and for all, Mr. Chairman, this important point. We Social Crediters have always stood for freedom of speech and we now stand for the fullest possible measure of freedom of speech. We believe in real freedom of speech, however. By that I mean that we believe in granting every opportunity for the discussion of any beliefs, policies and ideas that have merit. We believe that they should be discussed openly, by logic and reason, not by insult or vilification.

Mr. Blackmore: Or in telling one side of the story.

Mr. Low: We further believe that all sides of these questions ought to be discussed. There is no freedom of speech in any country in which discussion is limited to one side or in which a certain definite line is taken and held preponderantly for months on end. So long as the discussions are balanced fairly, we do not think there is any danger. But we definitely deplore any attempt to weight discussions so that one view is pounded in upon the consciousness of our people day after day and month after month.

We do not believe that sufficient evidence has been adduced by any investigation carried on thus far to show that there is real freedom of speech on the C.B.C. We think that investigation ought to go forward until the subject has been exhausted; and the C.B.C. should be prepared to supply to the members of the House of Commons and to the committee on radio any and all information necessary to enable them to make up their minds about the matter. There are some features of the bill which we do not like, Mr. Chairman, but I am not going to discuss them now in detail. The discussion of them will be possible on the individual items. Before I sit down one thing I should like to say about the general policy or principle of the bill is this. I was sorry to note that no effort has yet been made to set up, for the purpose of regulating radio in Canada, an independent commission that is separate and distinct from the competing body, the C.B.C. We have been consistent in our belief that justice can never be done in this country to private radio and to the people generally until we have some regulating body that is separate and distinct from the Canadian Broadcasting Corporation, which is a competing institution in the field of radio. As we come to the individual sections, Mr. Chairman, we shall have something further to say.

Mr. MacLean (Queens): Mr. Chairman, it was not my original intention to speak in this debate but, having listened to the eloquent speeches of the hon. member for Macleod, the hon. member for Lethbridge and the hon. member for Peace River, I feel obligated to express my point of view lest this committee might be accused of the very thing of which the C.B.C. is being accused, namely of expressing consistently a point of view which is not indicative of the general point of view of everyone represented.

While I agree in general with the philosophy of life, shall we say, of these hon. members, I do not at all agree with their interpretation of how that should apply to the C.B.C. and to their programs. While I think it may have been unfortunate that a certain series of programs were broadcast by the C.B.C. which consistently expressed one point of view only, I think we should be exceedingly careful before we take or suggest taking any step which might limit our liberties in any way or in any way set the C.B.C. up as a censoring body with regard to what our thought should be. As I said, I think it was probably unfortunate that a certain series of programs expressed only one point of view. I think this series of programs on which the much-discussed Brock Chisholm spoke would possibly have been brought into balance if the other point of view had been expressed by someone else as it was expressed by these hon. gentlemen today in this chamber. If one of these hon. gentlemen had been on that series of programs, for example, I think it would have brought the thing into balance. But I do not agree in any way that we should go to the slightest extent in the direction of censorship of our opinion.

Mr. Low: I agree with that statement.

Mr. MacLean (Queens): After all, we should remember that through the ages almost every advance—especially any advance in the fields of science—has been attacked as being against progress and contrary to religious beliefs. All sorts of accusations have been hurled at these advances. But in the end, in most cases the scientific principles have proven to be the truth. I think there is nothing we can lose if the truth is allowed to be expressed. If it is not the truth, it will not stand on its own feet but will fall by the wayside, provided that a free expression of opinion is allowed from all points of view.

We have advanced to a new high in civilization, or at least we imagine we have done so, by the formation of the United Nations since the last war. The United Nations has recently produced what is known as a universal declaration of human rights, and all member nations have subscribed to that declaration. Two of the articles which I will read would, I think, be a fair guide in governing us as to what is suitable and what is not suitable to be broadcast by our nationally-owned broadcasting system or by a privately-owned broadcasting system controlled by our government. Article 18 of the universal declaration of human rights reads as follows:

> Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, worship and observance.

Article 19 reads:

> Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

If we govern ourselves by the principle that is expressed in these two articles, we will not be far astray as far as our public broadcasting is concerned. By saying that I do not for one moment mean that I would agree with all points of view expressed by anyone over the air; but if we confine ourselves only to the broadcast of opinions with which everyone agrees I am afraid these discussion programs would be pretty sterile affairs. Therefore I think a divergence of opinion is quite justified, provided that all points of view are expressed.

There is another point on which I wish to speak briefly, and then I shall conclude. I refer to the present set-up of the Canadian Broadcasting Corporation. As everyone knows, when the Canadian broadcasting system was brought into being in the 1930's the idea was that it should be set up as a state monopoly of broadcasting similar to the British Broadcasting Corporation, but in actual practice it was found not to be a practical thing, and as the Massey commission reports:

> It soon appeared, however, that these pioneers in the field of radio broadcasting had made a place for themselves in their own communities and that they could perform important national services. It seemed therefore in the national interest that the C.B.C. should recommend the continuance of their licences and that they should be regarded as an integral part of the national system.

Therefore we have the situation where private broadcasters exist, and yet no provision had been made in the original legislation for their existence. We have the Canadian Broadcasting Corporation in the position of being the parent of an unwanted child, if you wish. We have the Canadian Broadcasting Corporation in the position where it realizes that private stations exist, but their existence was not planned in the first place. In actual fact a different set of circumstances exists now from those which were originally anticipated. Therefore I think we should not confuse ourselves by assuming that the private stations should be entirely controlled by the C.B.C. There has been a lot of confused thinking on this matter, and people have been led to believe that if a separate non-partisan body was set up to control broadcasting generally, to set down the regulations and to enforce

them, which should be applied to all broadcasting, certain services which are now supplied by the Canadian Broadcasting Corporation would disappear. That is not true. I see no reason why the excellent public services which are carried on by the Canadian Broadcasting Corporation should not continue when subsidized by the government in various ways, even though broadcasting generally was controlled by an independent body.

As a further admission that the existence of the private broadcasters is justified the Massey report goes on to say:

> In this broad country we still have inadequate radio coverage; without the supplementary outlets of the private stations many more areas would be deprived of the national programs of the C.B.C., and could be reached only at great additional public expenditure. Apart from this direct national service, the private stations perform community services which, as they rightly point out, are important to the nation: local advertising is in itself a service of value to the community; local news, information and the promotion of worthy causes are essential services, as many individuals and groups have testified. A third proper function of the local station is the encouragement and development of local talent.

I do not think there is any argument as to the value of the private stations. That being so, I see no reason why the Canadian Broadcasting Corporation should be put in the awkward position of trying to determine what is just treatment for what is in actual fact a competitor of its own in certain cases. As I said, the Canadian Broadcasting Corporation is in the position of being the parent of an unplanned and unwanted child, and finds itself in the position of being torn between mother love on the one hand and embarrassment for the very existence of the private stations on the other. As far as the laying down of regulations and their enforcement are concerned, I would suggest that the control should be in the hands of a separate and non-partisan body, as are the railways. The Canadian Pacific Railway is not bound by regulations which are made by the officials of the Canadian National Railways, but rather both are controlled by the board of transport commissioners. The same principle could very well apply to broadcasting. You have the position of a crown company competing with private enterprise. In that connection I might quote again from the universal declaration of human rights. As a matter of fact I shall give two quotations. Article 25 says in part:

> All children, whether born in or out of wedlock, shall enjoy the same social protection.

Perhaps we could apply that principle in a wider sense to the private broadcasting industry in this country. The article I really intended to quote when I started is article 10 which says:

> Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations.

I submit, Mr. Chairman, that that principle should be applied in the case of the private broadcasters in this country as well as to the Canadian Broadcasting Corporation itself.

Mr. Macdonnell (Greenwood): I should like to add a few words to what has been said, and it so happens that they really follow along rather naturally from what the hon. member for Queens has been saying.

I wish to make some comments on the control aspect of the Canadian Broadcasting Corporation, and particularly as it may affect the freedom of the press. I wish to make it very clear that on what I call the production, the artistic side of the Canadian Broadcasting Corporation, not only am I not criticizing, I wish to applaud. I feel they have done a great deal of good work and, have conducted themselves in a constructive manner. They have brought honour in certain cases also on the name of our country abroad.

I would like to say also that although I myself am a very inadequate and intermittent user of radio, nevertheless I feel that I know enough about it to applaud the attitude of the Canadian Broadcasting Corporation in not being content always to follow public opinion but sometimes seeking—and I hope successfully—to lead public opinion.

I do not share the views which I have sometimes heard expressed criticizing the Canadian Broadcasting Corporation because they try to keep above the highest common factor of the average taste of the most of us. I think it is desirable, and I think all of us in our better moments admit that we need education, and need to have our taste improved. For example, in the case of music—and there may be some others in the house who have had the same experience as I have had—I confess that when I first listened to classical music it seemed to me like an unknown and foreign language. But, as I have gone on, I feel I appreciate it at least to some extent—not as well as the educated musician—but at least to some extent. I think where this has been done in the case of children the results have been not only gratifying, but obviously much more important, because the results will last longer.

So I just wish to make it clear that my comments are not with regard to the programming of the C.B.C., but because in my

opinion by government policy the C.B.C. is asked to do something which, in the first place, I should not think it would have any particular qualification to do, even if they were perfectly free and single-minded about it and which, secondly, I think it is impeded from doing because, so far as I can see, it cannot be completely independent and single-minded. I had better face the fact now that the actions of a former leader of this party, who was prime minister in 1935, may be invoked against me. May I digress for a moment to say that I am one who believes that history has dealt very shabbily with that gentleman. I would like some of those who quote him in this connection to give him credit for the energy and the courage he displayed in those years. Sometimes, the way people talk, one would think he invented the depression during the thirties, which existed throughout the whole free world. However, that is by way of digression.

I would like to point out that apparently the C.B.C. whose relationships the member for Queens said were a little equivocal, had apparently two birthdays. I gather the C.B.C. had a fifteenth anniversary of its founding some time ago and, if my mathematical calculation is correct, that takes one back to 1936. Actually the C.B.C. was set up in 1932 or 1933. But, I suspect, it was done away with, and a new beginning made in 1936. So that it would then date from that time. The real founder would be forgotten, or at any rate would get no credit for what he did—except when such insignificant persons as myself bring the matter up.

I might question that, but I do not know that I need to take the time of the house to go further. I believe it was a Scottish chieftain who said that the world dated from his birth, and he calculated all things from that time. Maybe we also must calculate all things from certain political celebrities and certain political anniversaries in this country. That is something we must accept, and accept with the best grace we can.

Mr. McCann: Nobody is doing it but yourself. I never have heard it expressed in the house before.

Mr. Macdonnell (Greenwood): If the minister tells me I am wrong about the fifteenth anniversary, then I shall accept his correction with the best grace I can. But I was credibly informed that that fifteenth anniversary was observed.

Mr. McCann: Informed by whom?

Mr. Macdonnell (Greenwood): And I am sure any graduate from Queen's will know that fifteen from fifty-one leaves thirty-six.

An hon. Member: How about any graduate from public school?

Mr. Macdonnell (Greenwood): He might know about it, too. We are not so much above the public school level of development, according to the testimony of people who come from other universities.

Mr. Martin: Why single out Queen's?

Mr. Macdonnell (Greenwood): I know the Minister of National Health and Welfare, who comes from another place, which he regards very highly, would perhaps have a lower opinion of Queen's than one would expect a man of his intelligence to have.

Mr. Martin: As a matter of privilege, I have a high opinion of Queen's. But I thought my hon. friend had a higher opinion of other places.

Mr. Macdonnell (Greenwood): I have only in a very indirect way suggested any criticism of other places.

Mr. Knowles: What "other place" are you talking about?

Mr. Macdonnell (Greenwood): I had wished to refer to the aspect of control, and this comes to my mind by reason of the Massey report. Because this report not only recommends the continuation of the control, subject to the right of appeal, but it seems to feel it desirable that the control should be exercised more authoritatively than in the past.

I read from page 284 of the report where it says:

> In 1936, the C.B.C. was constituted—

There it is, you see; the birthday is 1936. Evidently the earlier date was a kind of illegitimate birth, which has been forgotten.

> In 1936, the C.B.C. was constituted to "carry on a national broadcasting service within the Dominion of Canada" . . . the only status of private broadcasters is as part of the national broadcasting system.

It is important to remember that phrase, because we come to that line of reasoning again and again. Then, referring to private broadcasters, the report continues:

> They have no civil right to broadcast or any property rights in broadcasting. They have been granted in the national interest a privilege over their fellow-citizens, and they now base their claim for equality with their "business rivals" on the abundant material rewards which they have been able to reap from this privilege. The statement that the board of governors of the Canadian Broadcasting Corporation is at once their judge and their business rival implies a view of the national system which has no foundation in law, and which has never been accepted by parliamentary committees or by the general public . . .

We are resolutely opposed to any compromise of the principle on which the system rests and should rest.

I am not going to enter into any argument with the Massey commission on points of law. All I wish to do is to introduce the much humbler ground of common sense.

At page 283 the report lays down the following principle—and here you have the same continuation, the same kind of argument which flows all the way through this report:

The principal grievance of the private broadcasters is based, it seems to us, on a false assumption that broadcasting in Canada is an industry. Broadcasting in Canada, in our view, is a public service directed and controlled in the public interest by a body responsible to parliament.

Let us examine this bold and categorical statement which the Massey commission makes. Can the Massey report, by an *ex cathedra* statement of this kind, alter existing facts? Surely the truth is that radio broadcasting is, in one of its aspects at any rate, an industry. It is one of the most important industries, the dissemination of news which is becoming, we are assured, increasingly more important. When they speak about there being no property rights, it has been well pointed out by those who have examined the situation closely that at the time of the invention of printing there was no property right in it, either. In some countries it was converted into a state monopoly, or it was placed under the church and subjected to licensing. It was only gradually, particularly in the democracies, that property rights in printing and publishing were recognized, and made free from licensing and censorship.

Surely it is correct to say that radio is a most potent industry, when it is an agency for the dissemination of news. Then, if the C.B.C. is to continue to control the news, are we not practically turning the clock back and returning to the situation of hundreds of years ago, by putting the dissemination of news under licensing and censorship?

It is not necessary to say, what I believe to be the fact, that up to the present time the corporation has exercised this right with restraint and, I think, with a sense of co-operation. I am assured by fair-minded private broadcasters that that is so. But my first comment is that if the power is a bad power, liable to abuse in the hands of men who are not moderate, then it is folly in the highest degree to continue it merely because at the moment it may be exercised with restraint and control. That is not all. I am not suggesting today that, merely because I am assured it is exercised in the main with restraint and consideration, there is not a great deal of evil connected with it even now. Let me read again from the Massey report, page 27, as follows:

The board of governors retains its control over air channels and programs. This it does in two ways: first, through its power to recommend to the Minister of Transport the grant, renewal or cancellation of licences, and second, through its power to regulate the nature and amount of advertising, political broadcasts, and in general, the character of all programs broadcast in Canada by any station.

I believe that power is having a considerable restraining effect even at the moment. The power outlined there is not a wishy-washy power; it is a power of life and death. It would be entirely unrealistic to suppose that the people in any private station faced with this power would feel that they were not in any way affected. I am informed by well-informed people that it is a mere statement of fact to say that every broadcast over a private station is more or less conditioned by the fear of offending the government. The C.B.C. has the power of life and death over every broadcasting station. As I said, if people have the power of life and death it does not matter much whether they exercise it in a nice or a nasty way. I remember reading an essay somewhere on murder, I think it was by De Quincey. The author said that he "once knew a bulldog who had murdered a brother bulldog with pleasing circumstances of good taste". I suggest that it is not going to be at all helpful to the private broadcasters if this power of life and death is used even in the most pleasant of fashions. The fact that you give a cigarette to a man who is going to hang makes no difference, because he is hung all the same.

Mr. Fleming: Hanged.

Mr. Macdonnell (Greenwood): I thank the hon. member for correcting me. What I have said is that this power overhanging the private broadcasters, however pleasantly it may be used, comes very near to being a pre-broadcast censorship.

We should not pretend that there is not a powerful tendency to suppress criticism of the government.

For instance, take what is going on at this very moment. I am assured that with the present situation so full of moment for the private broadcasters, with the Massey report having been published, with the brief of the private broadcasters having been presented, with the debates in this house and with all the other things that are going on, there has been very little radio discussion by the private stations, and that only in a very guarded and tentative manner. I am assured of that by a man who I believe knows what he is talking about. If that information is

correct it does much to demonstrate the fact that there is a feeling of fear and hesitation to express themselves freely in the face of the government and the corporation.

There are just one or two further comments I wish to make. I am sorry to weary the minister and the government, but the first fifteen minutes are the worst.

Mr. Abbott: It would be most interesting if it were correct.

Mr. Macdonnell (Greenwood): I only wish that the minister would be, not merely interested, but convinced. I should like to ask the committee to examine for a moment or two the nature of this new agency for the dissemination of information. As the London *Economist* points out, it is the greatest invention since the invention of printing. The Massey report, on page 23, indicates that Dr. James Thompson, for a short time acting general manager of the C.B.C., referred to radio as being a new device of singular potency for entertainment, information and public persuasion. Does not that phrase "public persuasion" raise inescapable questions as to whether this device of singular potency for entertainment, information and public persuasion should be in the hands of a corporation which to all intents and purposes, so far as control is concerned, is a monopoly?

Does anyone believe that however much it is desired to create an independent corporation, however genuine the officials are in their desire to be absolutely independent, they are not absolutely independent, that the corporation is still, when all is said and done, a creature of the state? Yet the Massey commission, far from deprecating this control, recommends that it should be more vigorously exercised and in that way gives it a kind of additional respectability, I suppose.

Let us look at this for just a moment from the point of view of freedom of the press. Someone has pointed out that anyone who can hire a printing press and buy sufficient newsprint can publish a newspaper, that he does not have to ask the government's permission. But anyone cannot operate a radio station. For one thing we are told that the frequencies are limited and have to be rationed. An informant tells me that that reason is rapidly disappearing as science is overcoming the shortage and we are going to have an abundance of frequencies, if we have not already.

Even if the reason advanced of the necessity for allocation is a valid one, it does not follow that the C.B.C. needs to be invested with power over what the private stations shall broadcast. The situation in the terms of the dissemination of news has been well pointed out by a man, I think he is a newspaper man, who said that it is as if newsprint were so scarce that it had to be rationed by government control and as if the government then said to the newspaper publisher "Before you can have newsprint you must agree to stop publishing speeches by Mr. Drew or stop putting advertisements on the back page or stop making rude comments about Mr. Gardiner in your editorials." If anything like that were done of course it would at once arouse vehement protests, and yet I suggest—I do not think it can be contradicted—that something like that is implied in the power of the C.B.C.

I am utterly unable to understand why the C.B.C. should desire to continue with this power and why the government should be so anxious to have them continue. I would have thought that they could do what, it seems to me, is their real job much better if they did not have this other job to do. It seems to me that that is not their real job and it is one which they should not have at all. I think they would be extremely well advised to divest themselves of this, and I believe it would add to their public support.

It is interesting to note that when radio first came into existence it was placed under the Department of Marine and Fisheries. Apparently no one was very interested in the child and perhaps there was a spare office in that department. That was the way it went. For some years it sort of bounced about and then it was recognized for the great and overwhelmingly important thing that it was but it was some time before it was realized that an invention comparable to printing had been discovered.

I think it would be the height of folly if, because we are ready to praise, as I am, the C.B.C. for the work which they have done and for their enlightened attitude on aesthetic and intellectual development, we were to overlook the fact that here we have a tremendous potential danger to the freedom about which we talk so much. It does not need much stretching of the imagination on the part of anyone to see someone at the head of the C.B.C. who would regard it as childish folly not to use the C.B.C. in times of a general election. I have said already that I believe that those at the head of it are doing their utmost to avoid that. I repeat what I said a moment ago, that we would be foolish to deny the possibility that we might have a very different kind of people and a very different kind of time. Of course everyone knows that radio has been the greatest weapon that dictators have had. I remind you again of Dr. Thompson's words, that it has "singular potency for public persuasion".

Canadian Broadcasting Act

There is one further quotation I wish to make from the Massey report. They recommend that the grant of the privilege of radio broadcasting in Canada should continue to be "under the control of the national government, free from partisan interests." This is surely a very naïve statement. It is only in another and better world that we can really expect a situation of that kind. One writer pertinently asks whether a public corporation is ever completely protected against political considerations. I should like to refer to a statement of Sir Frederick Ogilvie. I do not know anything about him except that he was the second director general of the B.B.C. For all I know he may be the world's greatest reactionary, but it does not worry me in the least. I want to quote a statement he made in February 1946, and members can make up their minds whether or not his words are correct. He had this to say:

Monopoly of broadcasting—

I will come back to that point. I realize that technically we have not a monopoly, but I am suggesting that broadly speaking we have something equivalent to a monopoly. Sir Frederick said:

Monopoly of broadcasting is inevitably a negation of freedom, no matter how efficiently it is run, or how wise and kindly the board or committees in charge of it . . . The B.B.C. itself, good as it is, would gain vastly by the abolition of monopoly . . . The only possible losers would be the various governments of the day—Labour, Tory, coalition or whatnot. Governments are thoroughly suited by the charter as it stands. What better could any government wish for than to have at the end of the street a powerful efficient instrument which has all the appearance of independence but which by the existing provisions of the charter and licence it can control at will.

As I said a moment ago, technically that is not our situation. We have private stations but they are under control of the C.B.C. I have tried to indicate what I think that means.

There was one thing which bothered the Massey commission and that was facsimile. They seemed to feel that in the case of facsimile there was some danger. It did not fit in with their picture of complete independence. They realized that freedom of the press was involved and their suggestion was that state regulation should be confined to technical matters. On page 292 of the Massey report they ask this question:

How can full liberty be assured to this new form of newspaper production without doing violence to the national broadcasting system?

Further on they say:

. . . we can see many grave objections to imposing upon it the limitations necessary for radio broadcasting but inapplicable to the press. It would seem to us both desirable and practicable to ensure that the potential development of facsimile take place in an orderly manner and at the same time the traditional freedom of the press be left unimpaired.

What I utterly fail to understand is why the Massey commission saw the danger there and seemed to think it was confined to facsimile. I think one can only say that they had developed a superstitious kind of worship of the phrase "national broadcasting system", that they seemed to think it had been constructed in heaven and that no one here should lay impious hands on it.

My suggestion is that the argument which led them to stop, look and listen in the matter of facsimile and to try, though perhaps not very effectively, to suggest a way out of that difficulty, should have led them to raise the same question and be troubled by the same doubts with respect to the much broader situation. For that reason I think they were wholly wrong in recommending that these powers be left to the C.B.C. I can only hope that these considerations, which I believe are serious, will not be brushed lightly aside. I think those who take time off to consider them are realizing more and more that there is a problem, and I hope we will not have it brushed aside here in any helter-skelter manner.

Mr. Fleming: There is one brief observation I should like to make. Last night, in speaking on this clause, I made reference to the subject of pending applications for television licences, applications which had been made to the Department of Transport and had been referred by that department to the board of governors of the Canadian Broadcasting Corporation for their recommendation in the usual course. I mentioned at page 1847 of *Hansard* that these applications go back as far as February, 1948, and that some of them are consequently nearly four years old. I find now that I was somewhat misled with regard to that statement. The matter was brought to my attention by a telegram I received at noon today from New Westminster pointing out that radio station CKNW applied for a television licence in August, 1945. The telegram comes to me from station CKNW in New Westminster, B.C.

After obtaining this afternoon a copy of the memorandum filed by the officer of the Department of Transport with the special committee on radio broadcasting, I find on examining the heading of the table that it does not give the information or cover the complete period for which I asked in the committee. The house will appreciate that the proceedings of the committee have not yet been fully printed. The proceedings and minutes of the last three meetings of the committee are not yet available in printed

form. At the meeting of December 6 I asked Mr. Browne, the official of the Department of Transport who was then the witness, to produce a list of the outstanding applications for television licences without any limitation as to time.

When the table was submitted by him it was sent immediately to the printer and copies were not available for the members. I was handed a copy at the meeting of Monday last for the purpose of examining it briefly, and I now find on closer examination that the list covers only the period from January 1, 1948, to December 7, 1951. Therefore we are left in the dark as to what applications were made for television licences prior to January 1, 1948. I can only say that we now find there was at least one, namely, CKNW, New Westminster. How many more there are we do not know because the information asked for was not fully supplied.

Therefore I submit the situation is more serious because it is apparent now, while I am not making comments on the fitness of any applicant for a licence, that the fact of the matter is that applications for television licences have been pending for six or seven years, and it has been and continues to be the policy of the government to deny to Canadians the benefits of television except in so far as television may be provided by the Canadian Broadcasting Corporation. We are told we must continue to wait and that no action will be taken with respect to any application until the television system proposed by the C.B.C. is set up and in operation. I call that a policy of sterilization on the part of the government, a policy of depriving the Canadian people of television to which I think they are entitled.

Mr. McCann: That was an application made prior to when it was decided whether or not we would have television at all.

Mr. Fleming: I do not know whether I have made myself clear.

Mr. McCann: You are pointing out an error in the return.

Mr. Fleming: I am pointing out that the return is not complete and did not give the information I asked for. Far from being a period of three or four years during which those applications have simply been held in suspense, the period has now become seven years. I take it the comment of the minister is directed to the fact the government may not have arrived at a decision as to its policy in 1945 concerning television. How long must the country wait for a constructive policy to develop out of the minds of government? The excuses were given that while the Massey commission was sitting it was not proper that any policy should be laid down. The majority of the Massey commission has recommended a policy which I believe just contributes to this sterile governmental policy in the field of television.

Mr. Knight: I should like to say a few words, Mr. Chairman, which, if they do not have much to do with radio or the C.B.C., may have some relevancy to this discussion. With all due respect to the C.B.C. and radio, I think perhaps my subject is even more important. I should like to say a word or two on the question of freedom, and its application to the pursuit of truth. No doubt we are all united in that we do want to pursue the truth. The trouble is, of course, to find out what is truth. It is an age old question. The nearest I can ever get to it here, I think, is by an application of my intellect to my environment, my environment including as it does creeds, ideologies and opinions of all kinds. Then having examined those I must make my choice.

I am not here condemning any particular programs, nor am I advocating any particular programs, but I do assert, and assert vehemently, that speech must be free. By the same token listening must be free. In short, the intellect must be free to make the choice which I have indicated. If we restrict the freedom to listen, then we are indulging in the very same type of authoritarianism which we deplore in certain other countries. We who hold the majority opinion cannot deny the right to the minority to express theirs. There has been mention here of the influence of what has been termed by one hon. member as "bad programs" upon young people. I have had some experience with young people, both my own children and other people's. I should like to state my own position in that regard. These people have upon them the influence—I am now speaking of my own children—of the home. They know the religious opinions of that home, they know our political opinions, and I hope they will be able to form their own opinions about those things. We hope, of course, that they will be guided by our example. Let me make it clear that it is only a hope, and not an insistence. The only pressure which has ever been exerted upon them so far as I am concerned, or ever will be exerted upon them, is the pressure of what I hope is a good example.

Sir, the child is a new individual. I do not believe the mere fact that he is my child gives me ultimately the right to warp or twist him. He is a new individual and, may I say, a new soul. He must make his own choice. I would encourage him to look; I

would have him listen to everything. I would have him see everything and examine everything, and then bring to bear his intelligence so that he may make his own choice. My responsibility in the matter is to guide him along what I believe is the proper road, and to provide him with a good example. My responsibility is to see that he is equipped with the ability which he requires to make his choices. I have tried to be open-minded. I do not attend only the political meetings sponsored by my own party. I go to Conservative meetings, to Liberal meetings and to Social Credit meetings when the opportunity is offered. Let me say that I have learned something from them, and that is why I go. I want to see if there is something I can learn. I do not go there with my eyes and ears closed and with my mind made up.

Let us come to radio, which I might mention incidentally. If there is any control over it, it must be control by a public body which in itself is controlled by this parliament, because parliament represents all the people of Canada. If that applies to radio, it applies with more force to television whose potentialities for good or evil, for vulgarity or decency, are even greater than those offered by radio. In passing, I might say I am well pleased with the C.B.C. on those points, particularly when one considers the difficulties with which that organization has been faced, and which it has done its best to meet. I believe that people at the head of that organization feel their responsibility in regard to the quality of the programs. I believe that when the C.B.C. is not so dependent as it is now upon commercial revenue, it should be able to raise the standard of the average program put out by the corporation.

Now, as to political programs, religious programs or other programs of a controversial nature, I believe they should be in the hands of a body which is prepared to allow all sides of the problem to be aired. This opportunity must be granted, or otherwise this vaunted freedom of speech will be limited by the amount that one is able to spend upon it. In such an event the scales would be heavily weighted in favour of those organizations or individuals who have great funds to spend upon the propagation of their own ideas. These people should have no more privileges on the air than those of less financial means.

I, sir, am not greatly impressed by a doctrine whose holders are not prepared to submit it to argument and public scrutiny. If it is a good argument, a good cause or a good belief, religious or political, it will stand upon its own feet. On the other hand, if those opinions which are expressed are unreasonable or poisonous, a word that has been common in this debate, then I say that the public will have the good sense so to adjudge them.

Mr. Gauthier (Portneuf): If they are prepared to judge it.

Mr. Knight: Matters of religion and Christianity have been drawn into this debate. I do not like to make a parade of these things, but in so far as I am a Christian —and I hope I am a Christian—then I am a Christian not through coercion and not through fear. I am a Christian by my own choice.

Personally I do not think that the doctrine as espoused by the Sermon on the Mount has anything to fear from its detractors over the air or anywhere else. There was no freedom of speech accorded to the early Christians who founded the Christian faith. It is my contention that although they were a minority group, they were entitled to such freedom. Yet in my hon. friend's view they were a minority group. They were a group of revolutionists, as a matter of fact, who were rejected by the majority, despised by orthodoxy, and persecuted by the money changers; and their leader indeed was crucified. But nevertheless they went on to change the face of the world. That last expression makes me think of John Buchan who, as all hon. members will recall, was for a time Governor General of Canada. He said:

> The spark, once transmitted, may smoulder for generations under ashes, but the appointed time will come, and it will flare up to warm the world.

May I say that such spark should not be extinguished, for where there is no spark there can never be a flame.

Finally, let me draw one thing to the attention of some of my hon. friends who think that any opinions with which they do not agree should not be put over the air at public expense. Let me remind them of what Voltaire, with whom I violently disagree on many things, once said in a famous letter: "I disapprove of what you say", said he, "but I will defend to the death your right to say it". That sums up very succinctly and concisely my own opinion with regard to the demand for freedom in its relation to the search for truth.

Mr. Diefenbaker: Mr. Chairman, there are just one or two matters that I should like to bring to the attention of the committee. On this occasion I do not intend to discuss the abstract subject of freedom nor to re-express my views with respect to any censorship on the part of the C.B.C. over the programs of the C.B.C., particularly as to speech.

I should like to point out, however, that the Saskatoon *Star-Phoenix* summed up the situation very well in an editorial on November 28 entitled "Mr. Dunton Faces His Censors". That reference had to do with the appearance of Mr. Dunton before the committee of parliament. It there sets out the difficulties of the Canadian Broadcasting Corporation in these words:

> The national radio service will always be subject to political influence. Yet, in the long haul, it is wise to keep effective control in the hands of parliament and government, for at least we listeners can get at these people through the ballot box once in a while.

It deals in general with the subject of censorship and says:

> Censorship, whether by elected members of the House of Commons, cabinet ministers, customs officers, provincial bodies or the C.B.C., is a denial of the principle that in democracy freedom must exist under the rule of law.

As I have already said, I do not intend to make any reference to the abstract subject of freedom. But I believe that, when in our country the majority would determine what the minority shall think and say—provided the minority, in thinking and saying what they believe to be correct, are within the law—it would be retrograde and a denial of freedom; for freedom cannot exist when maintained by censorship.

I think that a forward step is being made by the C.B.C. in coming before parliament and receiving grants to continue and to expand the operations of the C.B.C. I challenged that procedure at one time; but having listened to and having read the evidence given before the radio committee, I believe that a forward step is being made in this regard. Someone may say that, in making that statement, I have changed my opinion. In reply, may I say that it should be one of the attributes of freedom not to be bound to the dogmas of one's past thoughts.

Having said that, may I say that I believe that a further forward step should be taken by way of reducing the amount of advertising that today seems to occupy so large a portion of the C.B.C. programs. Where there is advertising, I think it should be restricted to a considerable extent. I can see no reason why Canadians should be told the time and at the same time be subjected to the advertising of any watch company. If the dignity of our nation is to be preserved, surely over the Canadian Broadcasting Corporation stations we are entitled to be told the time without at the same time having a monopoly on the time ascribed to any one watch company.

Then again, I think that some of the advertising is altogether beyond what is fair. It is true enough that all companies will puff up their products; but when they do it over the C.B.C., which is a national institution, there seems to be added to the claims of private advertising the approbation of the national body administering the C.B.C. I think one of the finest examples of good advertising is that in connection with "Singing Stars of Tomorrow". The reference is made that this program is sponsored by one of Canada's leading retailers, but further than that there is not that nauseating type of advertising that one sometimes hears with reference to tea, coffee, soap and the other things that are advertised on the radio.

Mr. Stick: Do you use Camay?

Mr. Gauthier (Portneuf): That is limited to persons.

Mr. Diefenbaker: After all, we are being objective today.

Mr. Graydon: Don't answer. It is not in the public interest.

Mr. Diefenbaker: I am not going to go that far. But in advertising I feel that a more dignified attitude should be adopted when the facilities of the C.B.C. are used.

Mr. McCann: You might include the private stations.

Mr. Diefenbaker: They are commercial stations.

Mr. McCann: Yes. They can put on anything.

Mr. Diefenbaker: That has been said so often. Theirs are commercial stations.

Mr. McCann: Yes.

Mr. Diefenbaker: My hon. friend the minister has over and over again stated that the national system is not in competition with the private stations. If it is not in competition with the private stations there is no reason why the private stations, being commercial stations, should not use the type of programs and the type of advertising that they choose without at the same time influencing the national body or the national institution. The very interruption that my hon. friend makes indicates that there is a competition for business as between the Canadian Broadcasting Corporation and the private stations, and rather intensifies the demand that hon. members have made over the years; and certainly it underlines the need that where there is competition there should be an independent body to determine the respective rights and authorities of the Canadian Broadcasting Corporation and the private stations with whom they are in competition. I think the minister, by that very interruption, has given one of the best

arguments why we should have an independent body, designed to assure and preserve that degree of competition as between the national body and the private stations which today is denied when the Canadian Broadcasting Corporation is in the position of being competitor, lawmaker, judge and jury in regard to all matters in controversy as between the national body and the private station.

Indeed, I was most impressed by the opinion given in the minority report of Mr. Arthur Surveyer, which is to be found in the report of the Massey commission. In his report he asked for the setting up of a regulating body to determine in a semi-judicial manner the controversies as between the Canadian Broadcasting Corporation and the private stations. I am not going into detail at the moment, but I suggest that the amendments proposed in the bill before the committee are merely makeshift. While they appear to set up a semi-judicial or judicial right of review, that is restricted entirely to the rights of the private stations, when a question of law is at stake, to appeal to the exchequer court when a licence of the private station has been suspended or abrogated. The amendment does not cover the field referred to by Mr. Surveyer in his minority report. All it does is to permit the right of appeal on a question of law, not fact, where a private station has had its licence suspended or abrogated.

I cannot understand the attitude of the Canadian Broadcasting Corporation in being so opposed to an independent body being set up. The Canadian Pacific Railway and the Canadian National Railways are in competition for freight and passenger business. By his interruption a moment ago the minister indicated that the Canadian Broadcasting Corporation and the private stations are in competition over advertising. That being so, where there is a class of interests such as that, surely however well intentioned the Canadian Broadcasting Corporation may be, human nature being what it is, it cannot determine rights as between itself and those with whom it is in competition.

I know this argument will not be accepted, because the stand of the minister and those who preceded him in that position during the last ten or twelve years has been one of very strong opposition to such a body being set up. Nonetheless, as a result of the weight of public opinion, the government has seen fit at least to assure the private stations the right of appeal when deprived of their licences either temporarily or permanently, but that in turn is restricted only to a question of law. What does that mean? How many appeals will ever be made under that section? If the Canadian Broadcasting Corporation cancels the licence of a private station on the ground that it has failed to live up to a regulation passed by the Canadian Broadcasting Corporation, that is a regulation as interpreted by the lawmaker, the Canadian Broadcasting Corporation, there will be no right of appeal. This right of appeal on a question of law is so restricted as to be almost a nullity before it is actually passed by parliament. I am going to suggest to the minister that the right of appeal should be widened to cover not only the questions of law but also questions of fact, so that justice may be assured when and if a private licence is suspended or abrogated either permanently or temporarily.

I now come to one further matter, namely the question of television. Those of us who live in other parts of Canada than Quebec and Ontario have a justifiable complaint that we are to be denied even the prospect of the likelihood of a hope of having television within the next ten years. Montreal and Toronto are to have television stations, but Winnipeg and Vancouver are given a rather nebulous promise that sometime in the dim future stations will be established there. Is television to be held back in this country because of the fact that the Canadian Broadcasting Corporation does not desire, for reasons which it knows, or by reason of difficulties over which it has no immediate control, to give it to us? Are we to be denied television when there are available private companies, and I believe private Canadian companies, willing and able to provide television in different parts of our country? Somebody has asked: Are we to allow United States companies to come into Canada and establish television? I only hope the same desire to maintain the development of our country had been characteristic of governments in the past. Our country is being developed; these great oil fields in western Canada are being opened up and are available to Canadians who have initiative to go ahead, yet they were allowed to remain dormant until financial interests in the United States came into our country. I would like to see Canadian companies given an opportunity to establish television in this country; for surely we are not to be held back for years just because the national policy at the moment denies to private companies the opportunity to expand and develop an industry that is rapidly becoming one of the great industries across the line.

How long have we to wait? Well, there is an article in today's *Globe and Mail* regarding

the television station that is being built in Toronto. It says:

> Canadian television programs which, a year ago, were set to begin this fall will not go on the air before June at the earliest, a C.B.C. official said yesterday.

He gave the reason as lack of steel priority and the like. Then he announced this:

> A Canadian television network is far in the future.

The article goes on:

> It was indicated that licences for private TV stations will not be granted until C.B.C. has a national service.

Now we know, if that C.B.C. official who spoke yesterday in Toronto represented the policy of the C.B.C., that as far as western Canada is concerned, until a national system has been established—and at the rate the C.B.C. is going that is a long, long while in the future—no consideration will be given to the granting of licences to private companies. This is a retrograde step. It is a denial of the type of expansion we need in this country. If private industry is prepared to develop and expand this very necessary mode of communication in these modern days, then surely if the C.B.C. is not in a position to go ahead those of us in other parts of Canada should not have to wait until such time as a national system is set up before consideration is given to the applications of private companies.

Those are one or two considerations which had not been discussed at length, and which I thought should be placed before the committee. I believe the C.B.C. is doing an outstanding job; but that does not mean there is no room for improvement. That does not mean the C.B.C., in its policy on television, should be permitted to stagnate development in this country that would take place if at least the applications for licences by private companies were considered.

Furthermore this policy of stagnation in television is driving Canadians in cities along the border to the United States to secure the kind of programs Canadians have the right to expect in their own country. That would be bearable, were the policy of the C.B.C. such that, while granting priority to the C.B.C., it would not deny to private companies and to the people as a whole the right to the kind of service people across the line receive from private enterprise.

Mr. McIvor: Mr. Chairman, I have just a brief word. I was not a member of the committee, but I have read the reports carefully and it is my view that they did a good job.

I have risen to give two warnings. I have received many resolutions from different branches of the church. Perhaps one of the best was from the Knights of Columbus which, it seemed to me, summed up pretty well what was said in the other resolutions. This particular one warns the government not to allow the C.B.C. to broadcast programs that are atheistic in their nature, sponsored by either men or organizations that treat God as a myth. So far as I am concerned—and I speak for a few—we are not going to tolerate this sort of thing. I am proud to think that the C.B.C. will back up these resolutions.

What is behind this sort of teaching? Mr. Link in his book "Way to Security" states clearly who are back of this propaganda. It is the advocates of Karl Marx. He tells us who Karl Marx was, that he was born of a reputable and well-to-do father. He sent his son to a good school, but the son could not get along with his associates in that school and left. His father got him a good job, and he quit the job because he could not get along with his associates. He married, and after a while could not get along with his wife. He had four sons, three of whom committed suicide. Then he persuaded a wealthy man to give him financial backing so that he could write "Das Kapital". Since that day, and from that book, hate has been spreading throughout the world. I would be sorry to think that the C.B.C. would have anything to do with that sort of thing. I know we believe in freedom of spech, but any freedom that tends to undermine the faith of our fathers and our faith, we are going to watch carefully.

My other word of warning flows from the fact that I have received a number of resolutions to the effect that the C.B.C. should not be used to advertise the liquor business. It has plenty of money to advertise in other ways, and we do not want to have that kind of advertising on the air.

I congratulate the minister upon his patience, and we wish him the best kind of success in his work.

Mr. Gauthier (Portneuf): Mr. Chairman, as a member of the committee on the Canadian Broadcasting Corporation I believe I should make my position clear, especially after the speech of the hon. member for Saskatoon. I thought some of his remarks were intended for me, or for others among my friends who have been advocating that this or that script should not be broadcast over the C.B.C.

I must say that the officials of the broadcasting corporation have demonstrated a full comprehension of our attitude as expressed

in committee. We dealt specially with the scripts of Dr. Chisholm, Dr. Ewen Cameron, Dr. Anna Freud and Dr. Carl Binger, as well as with those of Dr. Bertrand Russell. I shall not discuss all these this afternoon, because I do not wish to delay the discussion.

Let me say, however, that it is not because we do not believe in freedom of speech that we asked the C.B.C. officials not to permit the reading of those scripts on the air. It is because we thought they were wrong. And we thought they were wrong because they advocated policies, for example, such as that of birth control. We ask those who, in the name of freedom of speech, are ready to permit the spreading of those ideas on the air whether, if such a policy were accepted and put into force by the governments of the world, we would be a free people.

It is all right to speak about freedom; but it is easy to be enslaved by having too much freedom, especially when the ideas expressed are wrong. The hon. member for Saskatoon said he did not want to twist or force his children into believing this or that. Well, I do not attempt to give him a lesson in bringing up his children. Such a thing would be far from my mind. But for myself, if I am to be charitable toward my children I believe I have to keep away from them everything that could harm them physically, intellectually, spiritually or morally.

I use the word "morally" with a purpose, because I believe when we permit the expression of the theory of Freud by this or that speaker over the air, then they are expressing an immoral idea. And if immorality is not wrong, then I must ask myself—as all hon. members will—what is wrong? It is immoral to advocate that our children should have no control placed over their sexual appetites. Those ideas have been expressed by some speakers who advocate the Freud philosophy. That is the stand we took in the committee; and we think we were not wrong in asking that normal, sensible ideas be expressed over the C.B.C. and the privately owned stations.

When we ask that the C.B.C. be more careful in the choice of its commentators or moralists, I do not think we are wrong. When we ask that truth be given priority on the air, I do not think we are wrong. I do not think it has been expressed before that truth is relative. Truth is one and indivisible. You cannot have two truths. It is impossible. We do not like to have these principles advocated.

It is all right to say that our children should be free to listen to anything on the radio and form their own opinions. We may think we are right in saying that, but we are wrong because our children have not been prepared to assimilate, to digest and to separate a dish of good food from a dish of poison. They cannot differentiate because they have not been prepared. That is why we ask that a proper selection be made of the scripts used by the C.B.C. I do not think we are wrong or too dogmatic in expressing our views in that regard. It is all right to say that one who expresses a good idea should not be afraid that it will come to naught. Communists were a minority but we allowed them to express their ideas everywhere and distribute their literature. Their philosophy was immoral, but it spread just the same. I am not at all afraid that the principles of the faith in which I believe will be endangered by communist principles, but I say it is not right for a public man to try to do away with the possibility of harm being done to the wax-like intellects of our children. We should not let them listen to everything and try to digest it themselves, especially when they are not prepared. It is our duty, it is the duty of the professors in our colleges and universities, to prepare them.

We should not permit ideas like those advocated by Freud to be spread among our younger population with the possibility of our young people becoming sex maniacs. That is why I got up in the committee the other day to ask that this kind of script should not be used by the C.B.C. I am a supporter of the C.B.C., as I think they are doing a good job. But I think they have also been a little careless. I hope the few remarks I have made this afternoon will be taken in good part, but if this situation is repeated I will be back again.

I am not ready to advocate that there be a full discussion followed by a vote on this matter. I think I know the opinion of nearly all hon. members in the House of Commons, and I think they will agree with me when I ask the C.B.C. to be careful and more charitable toward our children in the views they permit to be expressed over the air. It is all right to speak in the name of freedom, but I think it is immoral to think that we can give equal rights to evil and good.

Mr. Gillis: Mr. Chairman, I have listened most patiently to the discussion in the hope that some member from the other end of the country might get up. Someone from practically every part of the country has expressed his opinion on this matter except a representative from the maritime provinces. This is a most thought-provoking subject. After listening to the debate my opinion is that the best contribution has been made by the hon. member for Brandon. He is a young man

still in university as a teacher and is apparently very studious, as is evidenced by the way he handled the discussion. I was very much struck with the observations he made on the whole matter.

I should like to make it quite clear that we have always supported the C.B.C., but I would point out that in the development of radio in Canada the trend has been toward centralization. We would have had no radio until late 1948 in our part of the country if it had been left to the C.B.C. The private station that covers Cape Breton Island, where one-third of the population of Nova Scotia is located, has done a very good pob. I want it to have that credit. It pioneered in that area and gave us service. It took the C.B.C. a long time to realize that there were a few provinces east of Montreal. That has been a general trend, and it has been repeated in this organization.

I was not a member of the committee, but I have read some of the press reports and some of the evidence given before the committee. In so far as television is concerned, no survey has been made of the maritime provinces. The corporation have stated that next year they will be able to give television service in Toronto, and will be close to giving it in Montreal. They have said also that they have a delayed program for Winnipeg and Vancouver, but east of Montreal there has been no thought of anything. I just want to let the C.B.C. know that there are four provinces east of Montreal. The people there pay taxes, and they would like to get television some time. I hope it will not take the C.B.C. as long to develop television in that part of the country as it did to establish radio broadcasting.

The C.B.C. station at Sydney does not provide much competition to the private station because the wavelength is poor, and it is rather difficult to get the station most of the time. Therefore it is rather hard to justify praise of the C.B.C. I believe in the C.B.C. because I think such an agency was absolutely necessary in order to allocate wavelengths and maintain some sanity in the field. They have done a good job on that.

What I am saying with regard to the lack of a survey in that part of the country is pretty well reflected in all government thinking. It is a centralized formula that is established in the centre of Canada. With respect to Brock Chisholm, Bertrand Russell and the others, so far as I am concerned I am completely opposed to that kind of propaganda being broadcast over the air. I think we should sit down, think seriously about the matter and try to differentiate between freedom of the air and freedom of speech on the one hand and a licence to abuse and insult on the other hand. There is quite a difference. I think the teachings of Brock Chisholm, Bertrand Russell and the rest of them belong in the universities. When a young man or young woman matriculates and enters university I think their minds are mature enough to differentiate between the teaching they got from their fathers and mothers and whatever religious body they may have belonged to and the teachings of the people to whom I have referred. I think they are able to sift the good from the bad in what Brock Chisholm, Bertrand Russell and others are teaching. I do not think it belongs on the air.

There are also those who take the view that people have the right to judge for themselves, and that children have the right to make their own selection. I should like to remind hon. members of an item that appeared in the press a few days ago. It said that 50 per cent of the freshmen class at McGill university were so immature that they did not know who the Prime Minister of Canada was. They thought the Secretary of State for External Affairs was the leader of the opposition. That is not my statement; it is a press statement. It would not be a bad idea if the C.B.C. were to institute a series of lectures to build up the institution of parliament in the minds of the Canadian people. Parliament is taking a pretty bad beating in the press, over the air and in many other ways. Boys and girls who were smart enough to go through high school and enter university apparently do not know very much about the institution of parliament and democracy as we understand it. I think the C.B.C. should put on a program series to try to build up parliament in the minds of the Canadian people, particularly the young people entering our universities because they are the ones who will be the leaders of tomorrow. If they come out of university with minds filled with the teachings of Anna Freud and Brock Chisholm, the future of Canada is going to be a rather doubtful proposition.

All through the discussion of programs so far as television and radio are concerned I have heard it said that we have to build up the culture of the country. That is a matter of definition. When I listen to Brock Chisholm, Anna Freud and these others, and the debate in the house today, and see the beating the institution of parliament is taking and the ridicule to which members are subjected, I am reminded of the propaganda disseminated in Europe in the twenties and thirties which led to the rise of Hitler. Hon. members will recall that the Hitlers, the Goerings, the

Schachts and the rest of them were going to develop a new culture in Europe. They were going to develop a super race. Their philosophy was based on the teachings of Nietzsche They were going to make Hitler God. All the mythology of the past in the form of religion was to be stamped out. The totalitarian mind is very impatient when it comes to bodies such as the House of Commons, which move slowly. They want the right to move fast and to say they are going to do this and that. This insidious process came into being in Europe, and we should be careful when it comes to determining the cultural requirements of everybody in the country to see that we are not just absorbing a whole lot of the philosophy that has been disseminated throughout the world over the last twenty years in an effort to break down democracy and displace the institution of parliament.

I have sat and listened to all the debate and, mind you, I am just one of the proletariat. I do not consider myself to be very cultured. I think the dictionary definition of culture is that it is a matter of manners, intellect and taste. I know many well-mannered people who are very intelligent but when it comes to a choice between listening to a C.B.C. radio play on the death of Socrates or Amos and Andy, they will pick Amos and Andy. If we believe in freedom then we should have freedom of choice. We should not have something jammed down our throats from coast to coast on a Sunday evening, when people have time to sit down and listen, for which we do not care very much. Having in mind the definition of culture and the classics of the past, it took us a couple of hundred years to get around to saying, "Where are you going?", rather than "Whither goest thou?"

If you try to impose all the limitations and cumbersome methods of doing things in the past on a modern fast-moving world it is not going to work. I should like to know, for example, how many people would listen to a Shakespeare play, or look at it on television, while the Grey Cup final was being broadcast. There would not be very many. When we instituted our radio system I never thought it would be a straight educational and cultural organization moulded to conform to the ideas of any one individual or half a dozen people. The universities and schools are there for that purpose, and people can make their choice of what they want to study.

So far as I am concerned, I visualize radio and television largely as mediums of entertainment. I think that is the purpose for which the average person buys a radio set and for which he will buy a television set. The great majority of our people left school when they were in very low grades. They are not going to sit in their homes and have heavy Shakespearean plays and that kind of thing thrust at them which most of them do not understand, and no matter how often you keep shoving it at them they will not understand any more about it. They believe and I believe that radio and television should be largely designed to provide entertainment. I know there is a place for education. I enjoy the forum broadcasts very much. In my opinion they are a valuable asset. I listen to them whenever they are on the air. I do not care what the subject is. If two or three people on such a broadcast are discussing a question, then that is educational. You have got three sides of the question in most cases, or two sides with a chairman in the middle keeping the thing in balance. There is a lot of value in such broadcasts. People can understand that kind of thing, but when you take a man like Brock Chisholm and put him on the air with his theories on psychiatry you are only getting one side of the question. There is no debate and no discussion.

In my opinion it is largely wasted, because I do not think the average person in this country is interested in that subject. The great majority of them do not understand what he is talking about. All the evidence I have had as to the value of it has been against it. I have had letters protesting that kind of thing, but I have never had anyone write to me and say we should continue it. I do not believe we should remove it from the air, but I suggest to the C.B.C. that any time Bertrand Russell or Brock Chisholm is to go on the air the program should be like a forum so there could be a discussion of both sides of the subject. I believe the C.B.C. is wrong in putting it on in the manner they have been following.

There are medical doctors in this house, and they know that psychiatry is going directly into that field. The psychiatrist has about as much respect for the medical profession as he has for religion. They believe it is a case of mind over matter. I had one experience with psychiatrists, and if the theories they expressed on these broadcasts were no better than the experience I had with one of them in the veterans affairs department, then I do not think very much of them. When the last war was over the government relegated most of the boys who came out of the service with nervous breakdowns—psychopaths or whatever you want to call them—to the regular insane asylums.

This was done on the advice of the psychiatric department. This department said you could not be good to these fellows because they would never get better. On the advice of this psychiatric division these fellows were put away. Their wives and families were outside without any allowance, and these men were to be cured by leaving them in the institution. Their wives and children were left outside to starve to death.

We had the head of the psychiatric division before the veterans affairs committee at that time. I do not want to be disparaging, but I questioned him for a long time and I never saw a person more in need of a psychiatrist than he was. He stood there and tore a pocket handkerchief into about a thousand pieces while he was talking to us. I do not suppose he even knew he was doing it. I was not impressed with his theories. The government eventually took care of the matter and realized that the wife and children had to eat, regardless of whether or not the man was going to get better. I am not impressed by these theories. I have been the sort of fellow who knew he had to learn a lot, so I have read a lot of that material. It has not changed my opinion about anything. I agree with the hon. member for Macleod that the best teachers for the children of this country are the fathers and mothers in the homes. If the basis of a strong character cannot be made there, then neither Freud nor Brock Chisholm is going to do very much afterward.

I was brought up in a church. I have gone through life, and it has been a rather rough life, but I have never seen anything that changed any of the basic beliefs I learned there. In all the ups and downs of life those basic principles I learned when I was taught my catechism in my church have held constant and still hold good. Any time I hear a person talking about having a Christian philosophy, and at the same time belittling any religious body, I do not believe him. I think everyone who is a Christian finds his beliefs in the same basis. In my opinion all the Christian churches go together; you cannot separate them. I am not in a position to give advice to the hon. members of this house, but I have lived for fifty-five years and I have seen a lot of this world, and I suggest that anyone who has watched events for the last twenty years will realize that we want to be a little careful about our desire to expand freedom of that kind to make sure we are not giving licences to a lot of people.

Let us stop for a moment to think about the trade union movement in this country and in the United States. No organization in North America has greater respect for freedom than the trade union movement. What do you find the heads of the three congresses doing within the last couple of years? They realized the danger of subversive activities, and they had to use some discipline. They had to get a measuring stick to determine where freedom ended and where licence, abuse and vilification started. These congresses threw out some large bodies of unionists as a disciplinary measure to impress some small groups at the top who persisted in using their positions for the purpose of undermining everything for which the movement stood. I am suggesting to the Canadian Broadcasting Corporation that they have a great responsibility to the future of this country, as have the newspapers. When they are thinking and talking about this business of freedom, democracy, preserving peace and all the things which we are building an army to defend, our language should be as moderate as we can possibly make it. This institution of parliament should not be held up to ridicule as it has been on a good many occasions in the last couple of years.

When controversial subjects are being dealt with, such as the one about which we are talking—and it is controversial because it hits at the very roots of society—rather than having one man on the air for half an hour the Canadian Broadcasting Corporation, recognizing that it is controversial, should have someone else there to take the other side of the argument. The program should be a forum. I do not believe in stopping anyone from expressing his opinion, but I feel that with subjects such as this which are highly controversial care should be taken that they are presented in such a way that the people listening have an opportunity of balancing one statement against the other.

Mr. Blackmore: I have greatly enjoyed the contributions of the various members in respect of this whole matter, Mr. Chairman. At the beginning of the discussion my remarks were rather inclined to be non-constructive, but I should like to say something of a constructive nature now.

As other hon. members have so well said, I believe that all the points of view on all subjects, religious, political or other kinds, ought to be given an opportunity of being heard. I believe in freedom of speech to the fullest degree. Our position is that no particular philosophy or interest originating propaganda should be given free play to establish its particular notions consistently and consecutively without adequate reply.

If we might refer to our friend Brock Chisholm again for a moment or two, I would say that apparently we are discussing his particular freedom to use the air. I wonder why Brock Chisholm should have any more freedom to use the air than any of the other several million mature men in Canada. I do not think he has established any right above the rights of other people to have his opinions freely expressed. Then is Brock Chisholm speaking for someone else? Is there some interest behind Brock Chisholm which is seeking for freedom of expression? I am afraid that is the case, although I hope it is not.

I said this morning some fairly strong things, and I meant them; and I will say them again any time they need to be said. But I should like to put on what I said this qualification, which I thought unnecessary at the time but which I certainly had in mind. I do not mind having Brock Chisholm come into my home and express his views freely if I can be in my home and have just as much time as he has to put forward the other side. Let us take, for example, the evolutionary theory. I should be quite happy to have him discuss before my family—and they are the most precious possessions I have in life—the evolutionary theory if I can be there to say: "Now, look here, friend, have you read Sir Ambrose Fleming's "Origin of Mankind"? Are you aware that this book completely subverts your evolutionary theory? Have you read "The Bible is True" by Charles Marston, published in 1934? Do you realize that that destroys completely the grounds for your attitude of higher criticism toward the bible, as does also "The Bible comes Alive" published in 1937 by the same man? Do you realize that Sir Ambrose Fleming is backed up by Lecomte du Nouy in his "Human Destiny" and by Sir James Jeans, one of the very best scientists in the world?"

If I can have the time to put those things before my family in his presence, or before anybody else's family, I have no anxiety because Brock Chisholm and all the men believing as he does can be utterly torn to shreds by men who are as well informed as they are on the other side of the subject they are discussing. But to put him up there with a free hand for fifteen, twenty, thirty or forty minutes, with no chance in the world for anyone to answer him, is something that I say is almost necessarily the abnegation of true freedom of speech.

I rather incline to the ideas expressed by two or three hon. members whose names I have forgotten for the moment; the hon. member for Cape Breton South was the last one. If we are to discuss for instance the matter of what to do about the rapidly increasing birth rate in certain parts of the world, let us plan a town meeting of the air. Let us have three or four men who are qualified to talk about the matter. Let us meet and prepare thoroughly, as I know men do when they are going to have a town meeting of the air, and let us have somebody there who can present the alternative to the reckless idea Brock Chisholm is endeavouring to establish in the minds of the people. Then I would have no anxiety at all.

I would rather like to hear Brock Chisholm on the air if you could put alongside of him a man who knew how to deal with him; and there are plenty of those. I would not hesitate to stand before him at any town meeting of the air or on any platform; and there are plenty of people who could do the job just as well as I could.

Mr. Chairman, I thought it was probably well to say what I have said, in a manner, closing off what I said a little while ago. I still agree with exactly what I said, but I would put this little modifying speech alongside the former one, as giving the C.B.C. something constructive to work on rather than only what would be destructive.

Mr. Adamson: Mr. Chairman, I merely want to make one or two remarks on this subject. I think the debate has been extremely interesting. It shows one thing, namely the danger of a central government organization in radio, and the extreme danger lest we in this chamber set ourselves up as censoring what the Canadian people shall listen to. That is a dangerous trend. I do not think it is part of the job of a parliament to state what shall and what shall not be listened to. I merely mention that point because of the same dangerous trend which I see in these discussions.

The mass media of the radio and the moving pictures are failing to interest people, in my opinion, largely because of what I shall call infantilism. They are playing down to the most juvenile type of intellect you can imagine. As a matter of fact, somebody said to me the other day that the moving pictures have now been developed for the average teen-ager of seventeen or eighteen. I fear that radio has ceased to be the force it once was. I note this trend in the major urban centres. It is ceasing to be the force it once was because it is constantly appealing to a lower and lower intellectual level. That may be a good thing or it may be a bad thing; I do not know. But I know that the interest in radio has definitely slackened—that is, shall we say, in the more or less intellectual side of radio—in the major cities or urban centres.

I now want to make an observation with regard to the report of the Massey commission on this subject. The commission regarded with approbation an association known as the Canadian writers' committee. I was interested in this matter because I used to know some of the people who belonged to Canadian authors' guild. I tried to find out who this Canadian writers' committee was. All I could learn about them was that they were an ad hoc organization brought together apparently for the purpose of making this submission. As far as I could find out it consisted of Dr. Frank Scott, a man called Len Peterson and somebody called Bissell working at the university of Toronto. Dr. Frank Scott is well known for his socialist views for which I respect him but with which I disagree. Len Peterson is a commentator on the C.B.C., and is employed more or less full time by that organization as a free-lance writer. I could not find anything about the third member of this so-called writers' committee.

It seems that the difficulty in accepting views advanced on this subject—and of course it would be the difficulty of any royal commission—is that they have not been able to get the opinion of the ordinary man in the street with regard to the whole question of radio. Perforce they have to accept, and do accept, the opinions of those who I suggest in this case are prejudiced witnesses, who have every right to their submission and every right to their prejudices, as each one of us has; but I disagree that they represent either Canadian writers or the Canadian reading public. These facts should be brought out. The problem is of very great importance.

The rural parts of Canada are very much more dependent upon and more interested in radio than are the urban parts. I think that would be borne out by any survey of the listening habits of the Canadian people. We have to be most careful in bringing down opinions on this extremely controversial subject. For example, I heard that when the federation of agriculture brief was given it had not been submitted to the general meeting; and as a matter of fact a man called Howard Prentice was refused the opportunity of being heard by the federation and by the committee because he disagreed with that brief. Therefore I suggest that when we are considering this whole matter of radio the report we have in front of us, while it is sincere, is nevertheless apt to be based on the opinions of prejudiced witnesses. Therefore it must be considered in that light.

I am not going into the question of private radio stations, because that has been dealt with very adequately by others. I do wish to emphasize that unless the intellectual standard of radio is kept up, some fear that it will go the same way the moving pictures were going until they began to take hold of themselves, by basing its appeal on the adolescent mind and the undeveloped mentality. That is the greatest danger we face today in radio programs in Canada.

Mr. McCann: Mr. Chairman, this discussion on second reading of Bill No. 17 has assumed a rather broader latitude than I had expected, although I have no criticism to offer of that in particular. It was thought that by referring this whole matter of radio broadcasting to a special committee perhaps time would be saved and there would be more complete examination of all matters having to do with radio.

The committee did have the advantage of information given to it by the officers of the Canadian Broadcasting Corporation, and of representations made by outside interests and by those who were interested in radio privately. Although it is not my intention to speak at length on the whole question of radio, because that has been dealt with pretty much in the abstract here yesterday and today, the submissions I made upon the resolution preceding the bill and upon second reading of the bill put forth as clearly as I could, and perhaps in as much detail as might be expected, the position of the government and of the Canadian Broadcasting Corporation, so it is not my intention to go into more detail and to make any kind of a lengthy speech.

At this time I do want to congratulate the committee on radio broadcasting on the excellent work they have done, and to thank them for their deliberations. It afforded an opportunity, as I said before, of getting in detail both the criticism and the suggestions of those who were interested in radio. During the years in which I have taken an interest in this particular subject I do not know that we have had a better committee than the one which examined into that subject this year. I am like the hon. member for Brandon who spoke today, who said that he found the work very interesting and very stimulating. That was exactly my reaction to it years ago on the first radio committee that I attended. I think that has been the reaction of some of those hon. members of the house who have sat on this and similar committees having to do with radio broadcasting. Therefore at this time I want to take the opportunity—and it may be the only opportunity I shall have—to say thanks to the members of the committee, and to commend them for the excellent work they have done.

Among the things the radio committee did, which I think was of great advantage, was to visit Montreal and see our Radio Canada building. That was well worth-while. I think it was an eye-opener to the members of the committee to see the physical side of what goes into both television and sound broadcasting. It surely must have given them some tangible demonstration of what the costs are in radio, because, as was pointed out here yesterday, when you see a mobile unit for television with four cameras that cost in the neighbourhood of $100,000 you can well imagine what all the equipment costs. On the floor on which the mobile unit was located there was a million dollars worth of television equipment which was ordered by this country a year ago last May from the Marconi people in England. I was in their factory and saw some of it in the process of manufacture. When one sees a building of that type with its splendid studios, its great control board, the equipment and machines for making recordings, as well as all the other equipment, and couples with that the highly-paid officials, he can readily understand why the cost of radio, both sound radio and television, is as high as it is.

On December 4 the radio committee made its second report, at which time it reported Bill No. 17 to the house. The committee considered the bill carefully, and it has been reported to the house with only one slight amendment. The final report of the committee is expected shortly, and I am sure it will give expression to what have been the results of the deliberations of the committee, and will set out its recommendations.

The suggested changes in the act, with which we are now dealing, are those based upon the Massey report. Let me say at once that in my judgment whether we agree with it or not the Massey report is one of the finest, probably the finest report we have ever had. I say that because the commission went into great detail, took great pains to cover the whole country and to invite people to make submissions; and it did all these things to a much greater extent than any other commission we have ever had in this country dealing with radio.

Having set up the commission, and as a result of the representations made to it, the government is guided by those recommendations which go to form the report itself. I was surprised to hear the hon. member for Greenwood deal almost entirely with the Massey report. Evidently he is not very favourable to it. I hope there has been no rift between him and his friends. Perhaps he was only laying the basis for some friendly family arguments over the Christmas season. He referred to this being the fifteenth anniversary of radio, and dates it back to 1936, when the Canadian Broadcasting Act was put into effect. He said it was a matter of regret that a former prime minister of this country and his government, who were in power from 1930 to 1935—and he was referring to Right Hon. R. B. Bennett—were not given credit for having implemented the report of the Aird commission. Well, about the only people I have heard casting any discredit upon that right hon. gentleman have been members of his own party. The reason they find themselves in the position they are in today is that they repudiated the political philosophy of that right hon. gentleman and his government, when they held office between 1930 and 1935. The hon. member would like to get away from that and start out on an entirely new basis.

The section in the Massey report dealing with television states:

> In radio broadcasting Canada experimented with a purely commercial system before changing to a national system.

Right Hon. R. B. Bennett changed that system on the basis of the Aird report, which was made at that time. I suggest to the committee that no sensible leader of the government, no matter what party he might be leading, would have followed a different course. It was clearly indicated that that was the course in the best interests of the people of Canada, and that was the course the people would endorse and would follow: a policy of national ownership and a nationally operated radio system. So I say the difficulties are principally based on the fact that his own party at this time is not following what was laid down by Mr. Bennett at that time.

The growth of radio in Canada has not yet achieved all for which we might hope in a national system. I quote again from section 80 in the Massey commission's report, where they say:

> It is still young. It has had to struggle against poverty, inexperience, and the physical obstacles of this difficult country. But, as we have suggested in part I and have stated here in language as clear and unambiguous as we can command, we are convinced that the existing Canadian system of broadcasting has served the country well in the past and offers the greatest hope of national unity and enlightenment in the future. We urge that the national broadcasting system be given the power and resources sufficient for its great national responsibilities.

Could there be any stronger recommendation than that? It is a recommendation, not made without deliberation, not made in haste,

but made by the top men of this country, investigating it after years of deliberation and study.

There have been a number of criticisms by several hon. members which perhaps were just and legitimate, but which I believe can be answered shortly. I think it was the hon. member for Eglinton who, referring to the Canadian association of broadcasters and the recommendation that we should have a regulatory body, was critical of our present system. I would point out to him that the evidence before the committee shows that the Canadian association of broadcasters has shifted its ground very much within the last few years. What they want now is a regulatory body only with reference to the technical aspects of radio, and that to come from the Department of Transport. I suggest there is nothing to gain if they are going to attempt to wreck the set-up in the Department of Transport, just as throughout the years they have attempted to break down the system we have had under the Canadian Broadcasting Corporation.

The hon. member was critical, too, of our television policy. This afternoon he referred to the fact that applications for television licences had been made back as early as 1945.

Mr. Fleming: They might have been before that, so far as I know.

Mr. McCann: Well, some bright individual may have had an idea twenty years ago, or perhaps ten years ago, that a franchise would have some monetary value for him, and that television would come into being in this country; and for that reason might have put in an application. But, to go back even as far as 1945, I suggest such a person would not have had the slightest idea at that time what it would cost to set up television.

We have been criticized for being dilatory or slow in enunciating a policy and putting it into effect. I suggest that the action of the Canadian Broadcasting Corporation and the government in that regard has saved the people of this country millions of dollars. In 1945 or 1946 one could easily have formulated a policy and attempted to implement it, and the result would have been that what was purchased at that time would have been obsolete by this date. Three years ago I accompanied the governors of the Canadian Broadcasting Corporation to New York where we studied the matter of television. We were shown by National Broadcasting, Columbia and private interests what they had done. They told us that they had spent $50 million up to that date and that most of it had been spent to no avail. We have profited by the progress which has been made in television.

As far as issuing of licences for television goes, I have been told in private conversation that not one single person or group of persons is prepared immediately to spend money to go into the development of a private television unit. It would cost at least $500,000 for a set-up, and any group would have to be prepared to spend probably another $500,000 before they would reach the operating stage. A further cause for delaying the progress we would like to have made has been the shortage of materials for transmitters, steel for towers and the other things that go into the building of a television station. All these are in short supply, and we are in no better position than private persons or enterprises in making application to the steel controller. We do not get any preference in that regard.

I should like to say a word with reference to the much discussed matter of controversial broadcasting. I am going to put on record what I thought was a very good article which appeared in *Saturday Night* of December 15. The C.B.C., the Prime Minister and myself and I presume many members of parliament and of the government have received all kinds of correspondence with reference to the controversial broadcasts. A great many people objected to them, while many more commended the freedom of speech that had been allowed by the C.B.C. One is put in the position of deciding whether he should recommend closer censorship, or whether the freedom which has been exercised for years should be allowed to continue. This article reads:

> This journal shares very fully the view, which is now being expressed by a good many organizations of national or provincial scope, that there should not be any further restrictions imposed by statute on the character of the material which may be sent out over the air on Canadian wavelengths, beyond those which have been in force ever since the Canadian Broadcasting Corporation was set up to regulate radio in Canada. These restrictions leave to the C.B.C. a very large freedom as to what it will broadcast and what it will not broadcast, and on the whole that freedom has been exercised for some fifteen years with great judgment and direction.

I think that is most significant. The article then goes on to discuss in some detail the broadcast given by Hoyle, the astrophysicist, and it has some criticism to offer with respect to that. It then continues:

> But we do not for a moment suggest that the fact of our differing with the C.B.C. in this instance is a reason for fettering the C.B.C. for all time with a statutory prohibition against certain proscribed ideas, or still worse, against certain proscribed broadcasters.
>
> We believe that there is a difference between radio and other forms of communication, and that the proposition that any and every idea has a

right to communication on the radio in the same way as it has a right to communication in print or in an assembly, provided only that it is not indecent, seditious, libelous or calculated to promote disorder, is untenable.

I agree with that. It goes on:

But we believe that parliament would be most unwise to attempt itself to distinguish between those ideas which may be broadcast and those which may not, and still more unwise to hand over a general power to do so to a board of censors whose chief concern would inevitably be to allow nothing on the air which could possibly be the object of any protest.

I believe that in connection with these controversial broadcasts there should be an opportunity for reply. I would think also that the broadcasters or commentators ought to have sufficiently good judgment to say nothing that would be either insulting or offensive to the Christian religious beliefs and sensibilities prevalent in this country. I think censorship to that extent might very well be employed. It is not very often that we have criticism of that type in connection with the C.B.C. I am bound to admit that in this particular instance probably something got over the air which it would have been better for the great majority of our people not to have been permitted.

This morning the hon. member for Kootenay West referred to the needs of the southern interior of British Columbia. I feel quite sure we can assure him that when this bill goes through and our financial position is better than it has been for a number of years it will be the policy of the C.B.C. to greatly expand its facilities and that part of British Columbia will be looked after. I do not know that there is anything to be gained by taking up further time that might well be given to a consideration of the details of the bill.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

On section 6—*Grants.*

Mr. Fleming: This section raises the whole question of the financing of the Canadian Broadcasting Corporation. The section provides that power shall be given to the Minister of Finance to grant to the Canadian Broadcasting Corporation out of the consolidated revenue fund the sum of $4,750,000 in the present fiscal year and the sum of $6,250,000 in each of the next four fiscal years.

It will be recalled by the committee that a grant of $1,500,000 was made to the C.B.C. last spring so that if this section is adopted it will provide the C.B.C., along with the grant made last spring, with an annual grant of $6,250,000 over a period of five years. This provision happens to tally with the recommendation of the Massey commission, to be found on page 293 of the report. They indicate that the corporation will annually require, in order to carry out its program of expansion and for other purposes, the sum of $14,200,000 in all. Paragraph 61 of the report in part reads:

The C.B.C. has stated that in order to maintain services even at their present level it requires about $3 million a year in addition to its current income of approximately $7,500,000. For the improvement and extension of its services, it requires another $2,200,000, making a total annual budget of about $12,700,000. If all the local and less desirable national commercial programs are dropped, the corporation will require an additional $1,500,000—some $14,200,000 in all.

Mr. McCann: Why not finish the paragraph?

Mr. Fleming: I do not think it is germane to my purpose. I referred to the fact that the section did happen to tally with the report. I am not interested in the balance of the section for the present purpose.

The income of the corporation during the past fiscal year was $8,301,000. The addition of $6,250,000 to that sum would give the corporation something close to $15 million of revenue in the present fiscal year. The commission did contemplate that the corporation would submit to some reduction of its commercial revenues as a result of the elimination of some of the commercial broadcasts.

The income for the fiscal year ended March 31, 1951, was drawn from three sources. The first was licence fees, and I will give only round figures. The amount was $5,572,000. Then there was commercial broadcasting, $2,463,000; and miscellaneous, $266,000, or a total of $8,301,000. I am going to digress for a moment to draw attention to one feature of that statement of revenues. In his remarks a few moments ago the minister apparently sought to create the impression that Mr. Bennett, in fathering the Canadian Broadcasting Commission out of which the Canadian Broadcasting Corporation later grew, was committing himself and his party for all time to a nationally owned, nationally operated, national monopoly in radio broadcasting.

I do not think that is a fair interpretation at all of the views of Mr. Bennett. It is one thing to create a national system. It is quite another thing to say that there shall be on the one hand either no other type of broadcasting carried on in Canada or on the other hand that if broadcasting is permitted under other auspices, namely private auspices, the national system shall have the power of regulation, what together with the licensing powers amounts in fact to the power of life

and death over these other outlets for broadcasting. But let me point out this further fact that the Aird commission and the whole scheme of the Canadian Broadcasting Commission as conceived by Mr. Bennett rested upon the assumption that the commission would not go into the field of commercial broadcasting, that their programs would be free of commercial features, and that the commission would be dependent upon public moneys or licence fees for its income. With the approval of this government, however, there has been a steady departure from that basic principle of the original scheme of national broadcasting in Canada, and it is to little purpose indeed for the minister to picture the Canadian Broadcasting Corporation today as being the fulfilment of the dreams of Mr. Bennett on the one hand, and then shut his eyes to the fact that the financing of the Canadian Broadcasting Corporation—yes, and in many respects the type of program it is giving—has departed very materially from the original conception of the Canadian Broadcasting Commission and national broadcasting in Canada.

I wish to offer some comments on the matter of the income of the Canadian Broadcasting Corporation. It will have been noticed that the C.B.C. at the present time is drawing approximately $2½ million per annum from commercial broadcasting. The report of the Massey commission, which obviously commends itself to the government, recommends that the corporation should eliminate much of the revenue it is deriving at the present time from commercial broadcasting. I should like to refer to page 291 of the report where the majority make this recommendation:

> That the board of governors of the Canadian Broadcasting Corporation refuse all commercial programs not acceptable in content and that they consider the possibility of eliminating some of the less desirable commercial programs now carried, and of replacing them by programs more appropriate to Canadian listeners.

The recommendation in the minority report of Dr. Arthur Surveyer at page 399 should commend itself to the house. He says:

> There is no doubt that the Canadian Broadcasting Corporation should be granted whatever amounts are needed to maintain an adequate service both in broadcasting and telecasting for the purpose of fulfilling the aims of the Canadian Broadcasting Act. Although the expenditures of the Canadian Broadcasting Corporation appear reasonable when compared with those of the British Broadcasting Corporation, the commission does not know whether or not the operations of the corporation are efficient, nor if substantial savings could not be realized by entrusting the production of commercial programs to private producers.

That leads me to say that, far from there being no competition between the national system on the one hand and the private stations on the other, there is very keen competition. You have very keen competition to the extent to which the Canadian Broadcasting Corporation permits competition on the part of those private stations which are its competitors. Competition for commercial revenues is direct and keen. Private stations have complained to the parliamentary committee that while they ask nothing of the Canadian taxpayer and must finance their operations entirely from their commercial revenues, the Canadian Broadcasting Corporation, on the other hand, while receiving the entire licence fee on receiving sets, nevertheless at the same time competes with them for revenue in this field of commercial broadcasting.

It should be clearly understood that if this substantial grant is to be made to the Canadian Broadcasting Corporation it should be upon the condition attached to its recommendation by the Massey commission. That recommendation was that the Canadian Broadcasting Corporation should be prepared to forgo a good deal of its present commercial broadcasting. It will be the right of the people of Canada if this grant is made to expect better programs on the C.B.C. and to expect fewer and less objectionable commercial features. I think that is the wish of the officials of the Canadian Broadcasting Corporation. I wish to say that in fairness to them, but it seems to me it must be clearly understood that if this house is going to vote this large additional income to the C.B.C. it must attach that condition. I point out to you, sir, that such a condition does not appear in this legislation. There is no suggestion in the bill as it appears before the house that a condition of the kind recommended by the Massey commission is attached to this grant of additional income.

I come to another of the principal sources of revenue to the corporation today, licence fees, which last year yielded an income of $5,572,000. This income was obtained from the $2.50 licence fee on 2,212,000-odd receiving stations in Canada. I say "receiving stations" because one should not regard a receiving station and a receiving set as synonymous. A person may have more than one receiving set at a receiving station without requiring more than one licence. I point out to you, sir, that if this section passes we are not only committing parliament to a principle but to a very definite figure by way of parliamentary grant. That carries with it implications which I consider are of very great importance. I suggest that now that parliament is committing itself to this principle the time has come for the elimination of that nuisance tax, the licence fee on receiving stations.

I point out certain factors in relation to this $2.50 fee, some of which were the subject of evidence before the parliamentary committee. In the first place, whatever may have been the situation when that $2.50 licence fee was first imposed, I think it is a very different situation today. The fact of the matter is that today the benefits that are derived as a result of the operations of the C.B.C. bear no relationship to the fee. Everyone with a receiving set must pay that fee whether or not he listens to the programs of the C.B.C. The fee does not bear any relation to service.

In the second place the amount has no relationship to fact. It does not cover the cost of operation of the Canadian Broadcasting Corporation.

In the third place, and I wish to develop this point, the collections of this fee have been very troublesome. I do not believe one member in this house will have the temerity to say that collection is complete.

The Massey commission in its majority report had this to say at page 294:

> The Department of Transport considers that the present method of collection is reasonably effective and thorough. However, if the figures of the dominion bureau of statistics are to be accepted, Canada's three and a half million private receiving sets which should be licensed ought to yield over eight and a half millions a year in licence fees instead of something over five million.

As was mentioned in the committee with regard to these licence fees, the fee is levied in terms of receiving stations and not simply in terms of receiving sets. There is a lot more in this discrepancy on which the Massey commission has placed its finger, however, than can be explained away simply by referring to the people who own more than one receiving set. I do not think the contention put forward by the officials of the Department of Transport charged with responsibility for the collection of this fee is very convincing when they say that collection is satisfactory. As I said a moment ago, I do not believe there is a member in this house who will have the temerity to say there has been universal or 100 per cent collection of this particular nuisance tax.

How many people who ought to be paying this tax are not paying it? No one in this country can answer that question. Even amongst those from whom collection is being obtained great difficulty is being experienced. The principal official of the Department of Transport for this particular subject is Mr. Browne, controller of communications. In his testimony to the committee on December 6, he said there are 120,000 to 150,000 people in this country who never pay their licence fees until late in the year. If you refer to a table he filed with that committee you will find that there is a great deal of tardiness on the part of many of the people who do pay. For instance, last year in the months of April and May 47·2 per cent of those who eventually paid remitted their licence fees, yet the fee is payable on April 1. The percentages for the remaining months are as follows: June, 21·5 per cent; July, 8·6 per cent; August, 7·4 per cent; September 4·4 per cent; October, 4·1 per cent; November, 2·4 per cent; December, 1·5 per cent; January, 1·4 per cent; February, 0·7 per cent; March, 0·8 per cent. That is not the kind of record that suggests that this is the sort of fee that is either collected easily or paid readily by those upon whom it is imposed.

I say to you, sir, that this is an extremely costly fee to collect. What would we in this house say if the Minister of National Revenue came to us and said it cost him over 12 per cent to collect the income tax, or over 12 per cent to collect the excise tax? We would throw up our hands in horror at the very idea, and say there was something fundamentally wrong if it was costing that much to collect these taxes, and that we ought to re-examine the whole situation. The fact of the matter is that for years it has cost over 12 per cent on an average to collect this tax, and last year it cost 12·2 per cent of every cent that was collected. If that cost had been charged directly to the proceeds of the tax you would have realized a net of 87·8 per cent. I say this is a shockingly high cost of collection, and the house ought to face up to that fact.

This year parliament has appropriated over $700,000 just to provide for the collection of these fees from which a revenue of something like $5,600,000 is expected. Parliament is throwing a lot of good money away, in my submission, in seeking to collect a tax that is unpopular and that is extremely difficult to collect. As you know, some time ago it became necessary to send people out, supervisors and others, from door to door canvassing for licence fees. These people were paid on a commission basis. In the committee a member asked Mr. Browne why one should introduce the principle of commission into the collection of taxes or fees imposed by parliament, a principle that would take us back to the abuses of the Roman empire. The answer was that when the department paid these people a salary they did not go out into the sparsely settled areas, but confined themselves to the built-up areas where it was comfortable to go about. I believe that is another factor which calls upon parliament to examine whether this nuisance tax ought to be continued any longer.

I think it would be interesting to the house to know that last year the government depended upon 346 house-to-house canvassers for 38·3 per cent of all that was collected on account of this nuisance tax.

The next factor in this connection which I should like to mention is the matter of prosecutions. This $2.50 licence fee is imposed by regulation pursuant to power given to the government under section 4 of the Radio Act. Many hon. members in this house, Mr. Chairman, may have forgotten that the further provision in section 4 of the Radio Act provides for the imposition of a fine of up to $50 or three months' imprisonment for any person failing to pay this fee. Just weigh that against the amount of the fee that is sought to be collected, and the difficulty in collecting it. The fact is, as has already been mentioned in this debate, that many people quite innocently do not know whether or not they have paid their fee. It is not something that comes to their mind like income tax returns. Many innocent people could easily overlook the payment of this licence fee. Yet any person who is in that position, however innocent he may be, is subject to a fine of $50 or three months' imprisonment.

Last year there were 13,830 prosecutions, and the result worked out in average figures in this way: The average fine was $3 and the average costs imposed $3, a total of $6.

The procedure in connection with prosecutions is very clumsy. A prosecution cannot be started locally without reference to Ottawa. At Ottawa a particular bureau in the Department of Transport sifts through these recommendations, with all the consequent delays. In the face of this situation, sir—an unpopular tax; a nuisance tax; a tax that is hard to collect; a tax that is not universally enforced and cannot be, I submit; a tax that has clumsy provisions attached to its enforcement —what did the Massey commission say? The Massey commission made some comments on this subject and they criticized in the language I have used the present collection of tax. While the Massey commission did not come up with the kind of recommendation I think they should have brought in for the abolition of this tax in favour of the parliamentary grant, they nevertheless criticized in the words I have used the present degree of enforcement.

In the light of the criticism contained in the majority report of the Massey commission I think it would interest many hon. members to know exactly what the Department of Transport now proposes. In the first place, sir, it proposes—as we were told by Mr. Browne in the committee on December 6—that there should be an amendment of the Radio Act to provide for a minimum fine of say $10 for anyone found operating a private receiving station without a licence. Let us bear in mind what that means. It means that there will be no power left in the magistrate to decide that it has been a case of innocent oversight, a first offence, or a case simply for a nominal fine. In many cases the fines today are just fifty cents. It would thus become obligatory upon the magistrate, on summary conviction, to impose that minimum fine of $10. I ask the house if they are so wedded to that kind of licence fee that they are prepared to back up the Department of Transport in wanting to see conviction in a case of this kind punished by a minimum fine of $10. I think not.

The second proposal of the Department of Transport is that the Radio Act be further amended to eliminate some of the cumbersome procedure in connection with enforcement. That may be good if we are to continue with this present clumsy system. But I think there is a better way of meeting the needs of the situation; that is by doing away entirely with this nuisance tax.

The third proposal now being put forward by the Department of Transport as something designed to meet the needs of the situation was described before the committee by Mr. Browne on December 6. It involves the elimination of the house-to-house canvass, that source of revenue which produced 38.3 per cent of all the licence fees collected last year on account of receiving stations. In place of 346 people working full or part time in the field in the house-to-house canvass, the department proposes an increase in staff in the department, 42 people to be put in the field full time and 8 people to be added to the staff of the central records office at a cost to the department for the addition of 50 people to their staff, of about $100,000 per annum.

But that is not all. From the testimony of Mr. Browne it is evident that more hope is attached to their proposal to transfer the issuance of the receiving licences to the post offices to a greater extent than has ever been done hitherto. You are aware, sir, that at the present time the Department of Transport tries to issue or, if you like, to vend these licences through the post office. But Mr. Browne was frank enough to tell us in the committee that there has been much reluctance on the part of the post office and of individual post offices throughout the country to take on the task of collecting this $2.50 nuisance tax on behalf of the Department of Transport.

We are told that there are 1,600 staff post offices in Canada, 6,500 accounting post offices

and 5,000 non-accounting post offices. We are told that among the 1,600 staff post offices the carrying of these licences for those who may come in and seek to purchase them over the counter has become obligatory, but that on the part of the 6,500 accounting post offices the Department of Transport has found a great unwillingness to assume this task; and that in the case of the 5,000 non-accounting post offices there were, if you please, only 188 willing to take on this task at all. The other 4,800-odd simply refused to do so.

When the Department of Transport now proposes to look to the Post Office Department to take this unhappy task off their hands, it surely might have been well to ascertain in the first place whether the Post Office Department was willing to do so. I am informed on good authority, Mr. Chairman, that the Post Office Department has not agreed to take on this task for the Department of Transport. Where does that leave us? Let us forget for the moment the evidence of lack of co-operation between government departments or the attempt of one department to foist an unwelcome task on another government department. Does not this all point to the fact that this is a nuisance tax which ought to be eliminated? I have no doubt, sir, that if the committee heard the private opinions expressed by a good many government members there would not be much support left in this committee of the whole for the continued imposition of that $2.50 licence fee.

Let us look at some of the things that have been said by some of the more courageous members who had the temerity to express in the special committee an opinion on this subject. I refer now to the opinion expressed by the hon. member for Cariboo at the committee meeting of December 6. Mr. Browne made this comment:

> . . . and they are the towns on which we concentrate first—

That is, on which the department concentrate their inspectors.

> —when our prosecution campaign starts.

The hon. member for Cariboo said:

> I am not urging you to prosecute them. I suggest it would be better to abolish the idea of a licence and to provide the money out of the general revenue because this is a public utility in which everybody shares and in which everybody enjoys the value; yet, according to your figures, half the people are not paying.
>
> Mr. Gauthier (Portneuf): Listen to that now!
>
> The Witness: I cannot comment on that. I have simply been given a job to do.

Mr. McCann: All that is out of order. The committee is sitting.

Mr. Fleming: I continue:

> Mr. Richard: Look at London. In 1949-50 the figure given is 20,809 whereas for 1950-51 the figure is down to 16,692. That would indicate a drop of 4,000 licences in one year. Yet we all know that London is growing.
>
> The Witness: We hope that when we get this additional staff we will be able to improve our licence issue still further.

Then the hon. member for Saint John-Albert came before the committee. He was not a member, but he came before the committee and pointed out the curious situation which results from the way in which the fee is levied at the present time. The fee becomes payable on the 1st of April each year. The department does not issue any licences until April 1. It is not the system followed by the provincial governments in issuing motor vehicle licences. Here the licence cannot be issued until April 1. As the hon. member for Saint John-Albert pointed out, technically everybody is in default when the post office opens on April 1.

Then, if you please, none other than the Minister of National Revenue, at that same meeting to which I have referred, made some comments in which I think the committee would be interested. He said, in reviewing the proposal of the Department of Transport to foist this unhappy task of collecting the $2.50 licence fee on to the reluctant Post Office Department:

> But I would be against the policy—if it is the policy—of not paying so much attention to the house-to-house canvassers and trying to increase the matter of prosecution.
>
> The matter of prosecution is a very disagreeable thing to carry on. It only antagonizes people against those who are doing it, and I do not think that it is ever productive of any great results.

That is the verdict, sir, of the responsible minister who has had more to do with radio broadcasting in this country than any other minister. That is his comment upon proposals for shifting the collection of this $2.50 licence fee on to the Post Office Department, and his comments on the results of prosecutions for non-payment of the $2.50 licence fee.

This section does not propose simply to make a parliamentary grant this year; it proposes to set up a parliamentary grant for a five-year period year by year. I have said that the section is good in so far as it recognizes the principle of making direct parliamentary grants to the Canadian Broadcasting Corporation for its necessary purposes. It is sound to that extent, and to the extent to which the principle is sound, sir, I say to you it is then a condemnation in principle of the continued imposition of that $2.50 nuisance tax. If the principle of the parliamentary grant is sound, then it ought to be good enough for meeting all the needed revenues of the corporation. It is not, however, simply an annual grant, sir; it is a five-year grant that

we are asked to approve, and I for one say that the principle of a five-year grant in advance is not sound.

We have had abundant evidence in this debate, if indeed evidence were required, of the vital importance of preserving strict parliamentary control, as distinguished from governmental control, over the activities of the Canadian Broadcasting Corporation. When speaking on the resolution preceding the introduction of this bill several weeks ago I sought to urge that the principle of parliamentary control be vindicated in all circumstances with respect to radio broadcasting. There is not a danger that any one of us can conceive in this country, short of actual invasion by a totalitarian armed force, that would be a greater threat to democracy and freedom in Canada than for such a vitally important means of communication and dissemination of ideas and of shaping public thought as the Canadian Broadcasting Corporation to be brought under the control of the government. Therefore I say, sir, that parliament must be vigilant at all times to ensure that the Canadian Broadcasting Corporation be divorced from government control, and that parliamentary control and parliamentary interest in the affairs of the Canadian Broadcasting Corporation be strictly and sedulously maintained.

I say to you that if parliament makes a five-year grant in advance, committing itself to such a policy and to such grants by statute, it is making a mistake. It is risking a weakening in that parliamentary control over the corporation which is so essential, and the value of which is recognized by the officers of the Canadian Broadcasting Corporation.

What seems to me should be the proper policy of parliament in this case is to make an annual grant to the Canadian Broadcasting Corporation to meet its needs. That will not prevent the Canadian Broadcasting Corporation from shaping its plans. I realize that plans cannot simply be circumscribed by any twelve-month period of time; but surely the board of governors of the corporation has enough confidence in parliament to know that parliament will make such provision as is required to meet the legitimate needs of the corporation. Sir, if the principle of five-year grants is sound, why not ten years? If the principle is sound with respect to the Canadian Broadcasting Corporation, why do we not apply it to the Canadian National Railways? We do not. We assert and preserve parliamentary control over the Canadian National Railways and their operations by insisting that parliament should, by annual grants, have an annual review to provide for the needs of that corporation. Why should the same principle not be vindicated and preserved with respect to the Canadian Broadcasting Corporation? Therefore I say to you that the proper method should be an annual grant to meet all the needs of the corporation, and that the item should appear in the estimates every year so that parliament will be acting consciously in making provision for the needs of the national system, and also so that the opportunity of discussing the affairs and reviewing the administration of the corporation every year will be guaranteed. It is not guaranteed here because we do not have a parliamentary committee set up every session. In view of the fact we have had one this session it may be unlikely that we will have one at the session of 1952; I do not know. But I do know, sir, that this year, as in so many years past, the report of the committee will come in too late for discussion. There will not be any opportunity given to the house for discussion of the report, and that is what will happen, it seems to me, in other future years even if you do have parliamentary committees, if this section is passed in its present form.

My final observation is this. Every one of us recognizes that broadcasting is going to cost money; that the kind of expansion which the officials of the Canadian Broadcasting Corporation indicated in their very competent and willing review of their plans before the parliamentary committee is going to involve the expenditure of very large sums of money in these ensuing years. The grant contemplated by section 6 of this bill is not for television; it is simply for the expansion and development of sound broadcasting. The corporation will be looking to parliament to provide further funds for the development of television; and along with that we must bear in mind that up to the present time at any rate the Canadian Broadcasting Corporation has not been paying any taxes. It has not been paying any municipal taxes, even though the private stations with which it is competing directly for commercial revenues today have had to meet federal taxes, provincial taxes and municipal taxes.

Finally, sir, I say to you the issue that confronts the house now is one that I think is inescapable, because it is a challenge to the house. The issue is presented more clearly to the house with respect to the continuation of this $2.50 nuisance tax than on any occasion in any previous session; and if the house proceeds today to vindicate the principle of parliamentary grants then I say to you, sir, that it has destroyed any pretence of justification for a continuation of

that $2.50 licence fee. Far better that parliament should make the provision consciously, and do away with this nuisance tax.

To vindicate the policy of parliamentary control, sir, I move the following amendment:

That clause 6 of Bill 17 be amended by striking out all the words after the word "fifty-one" in line 7.

I point out to you, sir, that this will give to the Canadian Broadcasting Corporation under this section $4,750,000 in this fiscal year. That will bring the direct parliamentary grants for this fiscal year to a total of $6,250,000, which is a sum substantially in excess of the amount the corporation can expend this year. It will provide for all their needs, for as much extension and expansion as they can possibly contemplate this year, and will leave them a substantial excess to carry over into the next fiscal year. But at the same time it will ensure the maintenance of parliamentary control with respect to the voting of parliamentary grants year by year in the future.

Mr. Macdonnell (Greenwood): Mr. Chairman, I should like to make a few observations in support of what has been said by the hon. member for Eglinton. However, before doing so I should like to relieve the kindly concern which, I am told, was expressed by the Minister of National Revenue because I had the temerity to disagree with part of the Massey report. I would say to the minister that it so happens I have several friends on the commission, and that I have the very highest regard for the report. I think it was a very distinguished document. But I have not made it the keeper of my conscience and the decider of every question it happens to consider.

By curious coincidence, for the second time today I find myself in the position of disagreeing with it. But I can assure the minister, if it is of any interest to him, that if in due time the government cares to bring in a number of other things mentioned in that report, it would be clear that in respect of those things I find myself in agreement with the Massey report.

I shall continue my observations at eight o'clock.

At 6.15 p.m. the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Howe: If I may have unanimous consent I should like to revert to motions in order to make an announcement regarding trade with the West Indies. I would move that the committee rise, report progress and ask leave to sit again this day.

Section stands.

Progress reported.

TRADE

ANNOUNCEMENT OF EXTENSIONS AND ADDITIONS TO THE BRITISH WEST INDIES TRADE LIBERALIZATION PLAN

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I may say that the timing of this announcement coincides with the timing of announcements being made in the United Kingdom and also in the British West Indies.

The United Kingdom has now authorized extensions and additions to the British West Indies trade liberalization plan, to take effect at the beginning of next year. Under this plan, limited quantities of traditional exports from dollar countries are being admitted to the markets of the British West Indies. It is estimated that some 650 firms have taken advantage of the present plan. The dollar value of the increased trade which will result from these new measures will not be large in total nor can it be estimated with any accuracy. For a number of Canadian exporters, however, it will provide a welcome opportunity to enter again into this trade. For others it will mean that increased quantities of their products will be admitted to those markets. All of this is definitely a step in the right direction. It is our great hope that further expansion will become possible in this trade in the future.

The British West Indies was the starting point for many of our manufacturers when they first looked abroad for export markets. There has been a tradition established of mutually advantageous trade. Because of the currency difficulties of the sterling area, British West Indian markets have unfortunately been closed to many of our goods since 1947. We have done our utmost in Canada, however, to provide a market for goods from the British West Indies, and from other countries in the sterling area, so that they might earn dollars with which to buy our goods. Canada has become a principal and substantial source of dollar earnings for these colonies. These efforts have obviously been recognized and appreciated in the United Kingdom, and I am happy to announce that we are now having increased opportunities being made available for Canadian goods in the British West Indies.

The government attaches great importance to our trade with the British West Indies. During 1950 we made strong representations to the United Kingdom for the creation of the

trade liberalization plan which was put into effect on January 1 of this year. Since then we have taken advantage of a number of opportunities to request the United Kingdom authorities to expand the existing arrangements. Members will recall that we had the honour in Ottawa in the early summer of being hosts to a visiting delegation of parliamentary representatives from various British West Indian colonies. The talks which took place at that time were useful to all parties concerned. When I visited London in September I made a special point of carrying the negotiations on this matter a further stage ahead, through direct contact with the appropriate ministers of the United Kingdom government.

The following statement is being made public today in the United Kingdom and Canada.

"Following discussions between the United Kingdom and Canadian governments and representatives of the British West Indies, which started early last summer, arrangements have now been worked out for extending and amending the existing scheme for 'token imports' into the British West Indies and Bahamas from Canada and the United States.

So far as the Canadian side is concerned, from 1st January, 1952, the list of items covered by the scheme has been expanded to include a much wider range of commodities, including food products, leather, metal, electrical and textile manufactures, etc. Also the percentages for exporters' quotas for most of these commodities will be raised from 33⅓ per cent to 40 per cent.

The expanded trade liberalization arrangements will, as from the 1st January, 1952, operate differently for British West Indies and Bahamas trade with the United States. Instead of a system of commodity quotas based on a percentage of past trade, the West Indies and Bahamas will be able to licence additional imports from the United States up to a specified total value.

North American exports should also benefit from the authority recently given for colonial governments to introduce a system of world open general licences for certain commodities. These are mainly of a kind essential to colonial development. The list of goods to which open general licences may be applied covers for example a wide range of finished steel items and semi-manufactures of copper, zinc, and nickel but also includes dried, pickled, salted and smoked fish, onions, potatoes, certain animal feeding stuffs and jute goods.

In spite of the grave balance of payments position of the sterling area, it has been thought right to recognize in these arrangements the great importance of good commercial relations between the British West Indies and North America and they represent a substantial easing of import restrictions on goods exported by Canada and the United States."

I would like to conclude by tabling a more detailed statement, which has been prepared for the use of the press.

Mr. J. M. Macdonnell (Greenwood): I am sure we have all heard with great satisfaction what the minister has said, although he has warned us that at the moment the quantities involved will not be very large. There is one thing I should like the minister to clarify. I am not sure whether he said but I think he implied that the sterling authorities were making available a sufficient number of dollars to take care of the trade which is contemplated. Am I right in that understanding?

Mr. Howe: Yes, that is a fact. Dollars will be provided from the sterling pool to pay for imports from Canada and the United States to the extent indicated by the announcement.

Mr. Macdonnell (Greenwood): Even though this is only a beginning it seems to me most satisfactory that there should be such a beginning. I think we all remember the situation that existed in the West Indies some years ago which created almost fantastic difficulties. For instance, at that time if the Massey-Harris Company wanted to sell implements in the West Indies they had to be shipped from their Australian plant. We are glad to note what the minister has said, and I suppose we may hope also that the quantities which he has described as being merely token quantities may be greatly increased.

CANADIAN BROADCASTING ACT

AMENDMENT TO INCREASE NUMBER OF GOVERNORS, PROVIDE PENSIONS AND FURTHER GRANTS

The house resumed consideration in committee of Bill No. 17, to amend the Canadian Broadcasting Act, 1936—Mr. McCann—Mr. Dion in the chair.

On section 6—*Grants.*

Mr. Macdonnell (Greenwood): Just when the committee rose I had started to make some brief remarks in support of the two points made very strongly and clearly by the hon. member for Eglinton. The hon. member criticized notably two matters. One had to do with section 6, in connection with which

he eventually moved an amendment, and his first point was in connection with a reduction of the radio licence fees.

I think the objections to these can be divided into two. First of all their collection is inefficient, and in the second place they are unfair because they are paid only by some whereas the benefit goes to all radio owners. The inefficiency can clearly be demonstrated because, as the hon. member for Eglinton has already said, it is costing 12 per cent to collect what is collected. Roughly it is costing $700,000 to collect approximately $5,800,000 leaving a net of about $5,100,000. That is only part of the story, because actually we fail to get an estimated amount of some $2½ million. Therefore we do not get anything like 88 per cent, which the 12 per cent cost of collection would indicate. We get something below that, somewhere between 60 and 70 per cent if my rough calculation is correct. That seems to indicate its inefficiency very clearly, and its unfairness is obvious.

As I understand it, it is not proposed to make it more efficient except in a way that I will mention in a moment. The actual method of collection apparently is not going to be made more efficient, but we are going to resort to fines. We are going to take on one of the aspects, I suppose you might say, of the police state. We will not leave it to the people because, as has already been pointed out, the matter of the radio licence fee is such a niggling thing that many people hardly know whether or not they have paid. I hope we are going to be given some reason for doing this. I have heard no reason yet except it is in the Massey report. However, I take it the minister is not bound to carry out the Massey report in every detail, and I would not have thought the Massey commissioners were necessarily qualified to speak as experts on this particular matter.

I do hope there is some chance of having the minister reconsider this proposal, which is inefficient and unfair. I think the hon. member for Eglinton is on perfectly sound ground in what he says, and I think it will carry the judgment of the house that whatever is proper to be paid should be paid without this inefficient and unfair method being used.

I want now to add a word to what the hon. member for Eglinton said as to the proposal that the grant to the corporation shall be not for one year but for four years.

Mr. Fleming: Five years.

Mr. Macdonnell (Greenwood): Five years altogether. Here again I should like to ask what is the reason for doing something which, so far as I can discover from a rather hasty perusal of the estimates, is utterly without precedent and which—and I am trying to use moderate language—outrages one of the basic principles of our method of financing. I wish to read briefly from a British textbook on parliamentary grants which I think makes clear the fact that if this section is passed in its present form it goes flat in the face of our practice and the general British practice. I want to read from page 44 of a book by Durell on "Parliamentary Grants". I am going to read about half a page. I do not like reading, but I think this is a matter of importance. I want it on the record, and I think this will put it clearly on the record.

An hon. Member: Can you read?

Mr. Macdonnell (Greenwood): I understand it was once said of Lloyd George: Presumably he can read and write, though he gives no sign of ever having done either. The late Mr. J. W. Dafoe told me that one day at Paris he saw Mr. Lloyd George go into the assembly and pick up *Le Temps*. Somebody saw him reading it and said, "He can read, he can read French." It is lucky for hon. members that I am not reading French. I will read English. The passage is as follows:

> The grants made by the House of Commons may be classified under two main heads: those which are authorized as recurring direct charges on the consolidated fund, and those which are met by annual or special vote for the supply services. Direct charges on the consolidated fund, which amount to about a third of the annual expenditure, are authorized by statute . . . When once granted they become in effect continuing grants to the treasury . . . They do not come up for annual review or criticism, and are to that extent removed from the control of the House of Commons after the statute has been passed. On the other hand it is at any time within the power of parliament to repeal such a statute and to transform the charge from a permanent one to an annual one . . . The fact, however, of the charges not being automatically brought under review necessarily withdraws them in a measure from the notice of parliament, and there is a disinclination consequently to make such permanent charges in any cases which could be provided for without detriment by an annual vote.

Then there is one short paragraph under the heading "Annual Estimates". It reads:

> The remainder of the expenditure set forth in the budget is in the form of proposals which require to be voted for the service of the year, and it is in the exercise of its function of granting these supplies that the supreme control of the House of Commons is most evident.

I have gone through the estimates not meticulously but with what care I could in the time available, and so far as I can discover there is no case that in the least resembles this. We have statutory grants of course for the service of the debt, the payment of the salaries of cabinet ministers, subsidies, grants to the provinces and various thinks of that kind, but I cannot find anything which in the least resembles the kind of grant that we have before us. I am not able to

imagine any reason whatever why it cannot be dealt with in the ordinary way unless for the reason that those who are responsible do not want to face the proper test of coming forward each year. I do not imagine the minister will give that as a reason, but I hope he can give a much better reason than certainly I imagine he possibly can.

I have not had time to search through *Hansard* as I would have liked to, but I can well imagine the kind of things that would have been said in this house, and in particular by the leader of the opposition in the years between 1930 and 1935, if there had been any attempt to depart from a well recognized, well established, well understood and perfectly reasonable method of financing. I hope if the committee passes this section they will not do so in ignorance. If I am correct—and if I am not the minister will no doubt do his best to correct me—they will by so doing create an evil precedent which will no doubt be invoked again and again on other occasions. I still hope it may be possible that the minister will change his mind.

Mr. Hansell: I shall only take a few minutes of the time of the committee, but I wish to say a word or two on this particular section of the bill. Before I deal with what I was intending to discuss I should like to add a word or two to what the hon. member for Eglinton said this afternoon with respect to the discontinuance of the radio licence fee. I do not know that I am especially fussy one way or the other, but I want to point out particularly that a number of people have advocated to the public the doing away with the licence fee. What the hon. member for Eglinton really is saying in principle is not that we will do away with the licence fee but that because it is a nuisance tax we will shift it into the general taxation policy of the country and not call it a licence fee. I mention this because I think we need to point out that during election campaigns many aspirants to membership in this house have appeared on election platforms giving the people the impression that if they are elected they will advocate doing away with the licence fee. To my mind that may be technically correct, but since that same amount of money will have to be made up in some way those people should be fair and add that everyone will be taxed accordingly. That much more money will have to be raised, and therefore all citizens will share in it whether or not they own a radio. One thing we must remember is that under the present system of licensing it is the person who owns the radio receiving set who pays the licence fee, and the person who does not own a radio set does not pay the licence fee. Under the system advocated now, whether or not a person owned a radio set he would have to pay his share of the over-all taxation to make up that $5 million annually.

The point I really intended to make on this section which we are now asked to pass is that the people of Canada will have to pay to the C.B.C. about $30 million over a period of five years. Now, $30 million is a lot of money. In addition to that $30 million the C.B.C. also receives around $5 million per year from the radio licence fees. This will mean that by the end of that five-year period the C.B.C. will have received from the taxpayers of Canada about $55 million. I mention that for the purpose of making this further observation. During the radio committee's hearings a brief was presented by the Canadian association of broadcasters, which represents the bulk of the independent stations in Canada. During the sessions of the committee the spokesman for the association, Mr. Allard, whom no one will say was not an able witness, was asked this question: If the independent stations could so organize themselves and mobilize their forces as to give Canada a national system of radio, while at the same time giving the Canadian public the high standard of radio it now enjoys, could they do that without any cost to the taxpayer? Mr. Allard's answer was yes.

Before commenting any further, I take it that answer was given by a man who knew what he was talking about. I do not believe anyone on the committee would say that Mr. Allard did not speak with some considerable authority about radio. Yet his opinion was that private radio, by mobilizing these stations and its organizations, could give Canada a national system of radio such as it has today, at least without depreciating the calibre or quality of the programs and yet without any expense to the taxpayers. It is only fair that I should mention that the president of the board of governors appeared as a subsequent witness. I called Mr. Allard's answer to that question to his attention, and I asked Mr. Dunton if he had any comment to make. He said that his comment would be as terse as Mr. Allard's comment, but instead of saying yes he would say no. No one will doubt that Mr. Dunton also is qualified to speak on behalf of radio, at least on behalf of the C.B.C. He is in a position to know. What we have here is a conflict of opinion as between two men whom one would regard as radio experts.

My point is this. Even though there is some conflict of opinion, and even though Mr. Allard's statement might be regarded by some as exaggerated, nevertheless it was made. Even though we grant that statement might be exaggerated, the C.B.C. would still

have an advantage over Mr. Allard's proposal to the tune of at least the radio licence fees of $5 million a year. They would have that amount of money over and above what Mr. Allard said the independent stations in Canada could actually give Canada. I point that out because I think it is an observation we need to keep in mind.

Now, $5 million is a lot of money to spend on radio in one year, expecially when radio is a competitive business and the C.B.C. is in the commercial field. The Canadian Broadcasting Corporation say they have to have more than that. They have to have an additional $6 million. The people of Canada should know that they are paying $5 million a year in radio licence fees as a straight gift to the C.B.C. It is an amount that they have—I was going to say to play with, but that might be too loose an expression—but they have that much leeway over and above what the independent stations would need. Then there is another point, and it may be a meagre point. The independent stations would still have to pay their taxes, while the C.B.C. today is largely free of taxation and has that advantage over the independent stations.

The bill, of course, says the taxpayer must not only pay the $5 million in licence fees; he must pay another $6 million a year. I point out that observation. Personally I should like to see the C.B.C. develop just as far as it is possible for them to develop. But if the C.B.C. were a private corporation charged with the responsibility of giving Canada the standard of radio that is given today, I am quite certain that as a private corporation they could get along with far less than an additional amount of about $11 million a year which they are asking from the taxpayers. I say that in the light of the fact that we have one man's opinion to the effect that if radio were in private hands, they could do it without any cost to the taxpayers whatsoever.

Mr. Jones: I should like to say a few words in connection with this bill that is before us. I disagree with many of the statements made about the C.B.C. because I still think that, for $2.50 a year, we have the best value obtainable with respect to any commodity in Canada.

Mr. Fulton: But we do not pay only $2.50.

Mr. Jones: I believe the C.B.C. offers the best value on the North American continent. I do not mind paying $2.50 for the service that is rendered to my household in connection with the radio, but I feel that it is unfair to charge people in areas that cannot get the service the same fee charged in the ones that have it; and that is the point I wish to make tonight. We have ten or twelve areas in the whole dominion that cannot get C.B.C. service, I understand; and one of them is the Grand Forks-Greenwood area. The only service the people in that area can get is provided by United States stations; but they are still compelled to pay the $2.50 licence fee, and they are still subject to prosecution by the government if they do not pay that $2.50.

I should like to suggest to the government that in areas where the service cannot be received and where they are not rendering any service the fee be forgotten or abolished, and that definitely no prosecution should take place until such time as booster stations can be established in those areas to give the service the people are entitled to have. I would suggest that a portion of the money we are now voting to the C.B.C. be allotted especially to those areas that do not now get the service. Otherwise I feel that the C.B.C. is the logical and the proper outlet for Canadian programs and that it should, as far as possible, get into every corner of this dominion. But when we have a corner that has to rely on United States stations for service, my contention is that we have no right to collect a fee from the people in that area. I would suggest that the government consider this point and possibly abolish the fee in such an area until such time as these booster stations can be established.

Mr. Knowles: I wish to say just a few words against the amendment moved by the hon. member for Eglinton. The effects of the amendment would be to grant to the C.B.C. the amount of money provided in this section of the act for this year, but to leave for decision in each of the next four or five years, as they come along, the granting of money for those future years. So far as our attitude towards the C.B.C. is concerned I feel that, to use the words of the hon. member for Greenwood in connection with another argument, we should let them get on with the job they have to do. To hold over their heads the uncertainty as to whether or not this money is to be available for the period of the next four or five years is, I feel, to cramp their style in their effort to give Canada the very best in the field of radio service.

Mr. Fleming: Will the hon. member permit a question?

Mr. Knowles: Certainly.

Mr. Fleming: By parity of reasoning does the hon. member not think he is cramping the style of the Canadian National Railways

by not providing them with a sufficient amount, for a period of five years in advance, to meet their recurring annual deficits?

Mr. Hees: Well said.

Mr. Knowles: Despite the interjection of the hon. member for Broadview to his colleague that it was well said, I think there is a very real difference. In the case of the Canadian National Railways we took over a series of defunct private lines which were already bankrupt, and we have been saddled with a capitalization which is completely false. That is the main reason for the deficits we have to deal with year by year.

As for the C.B.C., we have here a policy which a parliament of Canada has sought to initiate; and I echo the sentiments of those who have already recalled the fact that the policy of public ownership and control of radio had its origin during the days when R. B. Bennett was prime minister of this country. It is in pursuit of a policy which parliament has initiated that we are spending money on radio; and I think it is a wise expenditure.

As hon. members of the committee know, I could expand that idea; but I will leave it at that. I think that for the good of the C.B.C. and for the good of radio in Canada we should settle this question for the period of the next four or five years.

The other point on which I wish to comment is this. I was slightly startled at the difficulty the hon. member for Greenwood said he had in finding other examples of this practice in the estimates. He admitted that his examination, although not meticulous, was as careful as it could be in the time at his disposal. I think I have had less time, because it is only since he spoke that I have had the chance to go through the estimates to see whether or not there are other cases where, by statute, we provide for annual grants. The one that I would first of all draw to the attention of the hon. member for Greenwood is the Emergency Gold Mining Assistance Act under which, for a number of years, annual payments have been made in pursuance of the provisions of that act.

Mr. Fulton: It has been amended two or three times.

Mr. Knowles: Yes, that is so. As the hon. member for Greenwood says, on the basis of his quotations from the book he had in his hand, that can be done with statutes of this kind. The railway grade crossing fund is another. That statute provides for the annual payments, on terms and conditions laid down by parliament. The hon. member mentioned a large number of statutes that provide for the financing and the re-financing of the public debt, the redemption and the transfer of the public debt, the cost of issuing new loans and so on. All that financial conglomeration is covered in statutes which provide for the necessary annual payments.

Mr. Macdonnell (Greenwood): All debt.

Mr. Knowles: It is true that these items are debt, but not the other items to which I have referred. Neither can it be called debt in respect of the items listed on page 18 of the current year's estimates, where we have a list of the subsidies and other payments to provinces. There are two sets of them there. Statutes have been passed which provide for those annual payments.

Mr. Macdonnell (Greenwood): I mentioned them.

Mr. Knowles: Similarly there are statutory payments with respect to the various superannuation funds. There is statutory provision for the annual payment of a fishing bounty and of coal subsidies; there is statutory provision for annual payments to the national battlefields commission; and there is on the statute books a provision—with which we all agree—for annual payments in respect of the trans-Canada highway.

Mr. Fulton: You win.

Mr. Knowles: I hear the hon. member for Kamloops saying that I win. Thank you. I shall sit down.

Mr. McCann: The matter under discussion at the present time has to do with the amendment of the hon. member for Eglinton with reference to the new revenue arrangements for the Canadian Broadcasting Corporation, and these are in line with the recommendations of the commission. Let me point out that they provide for the payment to the corporation of a fixed sum of $6,250,000 each year for a period of five years. It is estimated that these payments, together with the receipts from the receiving licence fees and commercial operations, will bring the annual revenue of the corporation to about the equivalent of one dollar per head of the population of Canada. This is the amount which, in the opinion of the commission, will be needed by the national broadcasting system to maintain its services and carry out some necessary improvements in the five-year period.

I should like to point out that the commission recommended the annual fee for radio licensed sets be maintained at its present level, but that a more effective method of collection be devised.

The hon. member has issued a challenge to give reasons why this policy should be followed. I accept this challenge immediately,

and I think probably I can free his mind of any objection he might have. It has been suggested by him and by other hon. members that payments should not be set now by statute for a five-year period, but should be voted annually by parliament. That is the gist of the amendment. The chief argument for such an annual vote seemed to be that it would provide parliament each year with an opportunity to review the affairs of the C.B.C. I should like to say that I for one am in favour of frequent reviews by parliament of the matters and affairs of the corporation. Not to my knowledge has a request for the annual setting up of a committee on radio broadcasting been denied. It is true that it has not been held every year, but as far as my memory goes it has never been denied when it has been requested.

I think it is a good thing that every year, or every year it seems fit, this house should appoint a committee for this purpose. With the appointment of such a committee there is ample opportunity for discussion by the whole house of the activities of the Canadian Broadcasting Corporation, its aims and objectives.

I believe there are two strong arguments against the annual vote of money for the Canadian Broadcasting Corporation. The first I think was well put by the royal commission itself when it said:

> There are, however, serious objections to an annual grant to be voted by parliament. Although other essential government services depend on an annual vote, it is so important to keep the national radio free from the possibility of political influence that its income should not depend annually on direct action by the government of the day.

I have heard expressed in this house countless times, when radio matters were up, the fear, the accusation and the challenge that the government was interfering politically with the operations of the Canadian Broadcasting Corporation. I think another important principle is involved here, with which I thought hon. members on the opposition side of the house would agree. They have stated that they are in agreement with us on insistence that the activities of the Canadian Broadcasting Corporation should not come under the direct influence of the government of the day. Under the provisions of the bill before the committee there would be no question of the government having influence on the operations of the Canadian Broadcasting Corporation through the power of proposing votes of money for operating purposes each year. As I say, however, I believe that although payments to the corporation from public funds will not be voted annually, parliament will still have plenty of opportunity to examine the affairs of the corporation to which it is directly responsible, and I think should do so.

The second reason for a fixed sum for a period of five years is that it will enable the corporation to make proper plans on a reasonably long-term basis. When the corporation was set up by parliament it was the idea that it should manage its affairs on a businesslike basis, following as closely as possible the methods of private operations, as is necessary in the field of broadcasting.

The hon. gentleman made reference to the fact that this was not done in the days of the Bennett government from 1930 to 1935. No, certainly it was not. Let me draw the attention of the committee to the fact that in the annual statement of the Canadian Broadcasting Corporation it was not until 1946 that it was necessary to secure a loan that still remains unpaid. There were loans on many occasions during the period from 1932 to 1946, but every one of those loans was repaid by the Canadian Broadcasting Corporation. They were repaid not by taxes on the general public but by the people who were served and through their annual receiving set fee and the fees of private stations. They were able to save enough money out of that to redeem those loans.

Mr. Fleming: And the commercial broadcasts.

Mr. McCann: And the commercial broadcasts; exactly. To operate in a businesslike way the corporation needs to make a good estimate of its income ahead and then plan its activities and manage its affairs accordingly. Let me point out to this committee that there are a lot of circumstances nobody can foresee in the management of a corporation of this type. I will just give you two or three instances.

Mr. Graydon: In five years, too.

Mr. McCann: Yes, in five years, too; but even in one year. Take, for instance, the amount of money it cost the C.B.C. this year on account of the visit of Their Royal Highnesses. That was a costly job. Then there is the Korean war and the service we are giving there, the service to the boys over there, the programs, and the reporting to the people of Canada on the activities of our forces in Korea. In that connection we shall have to set up and pay for transmission of programs to the forces that are in Germany at the present time.

Mr. McIvor: It is worth it.

Mr. McCann: I do not think that broadcasting is the kind of activity for which estimates can be worked out each year in

the same way they can for government departments. In broadcasting, particularly in Canada, there are—and very probably there always will be—many demands from different sections of the public for more of something, particularly in the program field where there are many different opinions about what expenditures are necessary.

It seems to me that the sensible thing for parliament to do is to tell the corporation what its sources of revenue will be for the next five years, and set a reasonable amount in relation to the economy of the country. Then it is the responsibility of the corporation, which will report here yearly, to spend that money to the greatest possible advantage, subject always to a review by parliament.

The hon. member for Yale spoke with reference to the services in the particular district in which he resides. I admit immediately that his district is entitled to better services, and I promise that it will get better services if the Canadian Broadcasting Corporation has the money with which to give them. This is all a matter of finance. The physical part of it can be attended to. There are no technical difficulties in the way of giving better services, but because of the fact that the C.B.C. has not had sufficient revenue it has not been able to give the services to several communities to which these people are entitled.

Mr. Sinnott: Mr. Chairman, as a member of this house I think I have the right to say a few words. After listening to the arguments pro and con this Bill No. 17, since it was introduced yesterday, I cannot help but feel that many hon. members have not given it earnest study. Having listened to the minister answer some of the members, I think I am in a better position to judge what has been said. I think we should thank the chairman and members of the committee who have worked diligently and hard.

However, I was in sympathy with what was said by the hon. member for Eglinton. His speech proved to me that he has given study to matters connected with the C.B.C. There is merit in what he said about abolishing the radio fee. The hon. member for Cape Breton South also gave a very good account of himself in this regard. I feel I am forced to my feet tonight, because a resolution was passed in November by the council of my home municipality and forwarded to the Minister of Transport. In that resolution they stated their objection to the radio licence fees.

Mr. Harkness: What municipal council was that?

Mr. Sinnott: If you happen to go through my constituency some time, get off the train and see for yourself.

Mr. Graydon: Good old Brokenhead.

Mr. Harkness: The train does not stop there.

Mr. Sinnott: Not only the train stops there, but all the buses.

Mr. Graydon: You flag her down.

Mr. Sinnott: I do not think the country as a whole would have any objection to taking out of the consolidated revenue fund the amount now collected in licence fees. It would be spread more evenly throughout the country than it is today. As was pointed out this evening by the hon. member for Yale, parts of the country are paying radio licence fees but are not receiving a proper service. I know there are many homes in the city where one licence fee is paid but where there are three or four radios.

In my view the method of collecting licence fees is a costly one. I would ask the minister at this point how much it costs to collect those fees, how many men are engaged on the job, and how the number is distributed among the different provinces.

Mr. Graydon: A tough question.

Mr. Sinnott: I believe if there were a plebiscite in Canada this troublesome licence fee would be abolished, because the people in my district, certainly, hold the same view that has been expressed by other hon. members tonight. Through neglect, or for some other reason, people forget to renew their licences. Then, first thing they know, an inspector comes around and it costs them $10. It is such a niggardly sum that I suggest the only fair thing to do is to collect the money through the consolidated revenue fund rather than as individual licence fees.

The Chairman: The question is on the amendment of the hon. member for Eglinton. Shall the amendment carry?

Amendment (Mr. Fleming) negatived: Yeas, 28; nays, 55.

The Chairman: I declare the amendment lost.

Section agreed to.

On section 7—*Regulations by the corporation.*

Mr. McCann: There is an amendment to be made to subsection 2 at line 27. I will ask my colleague, the Minister of Citizenship and Immigration, to move the amendment.

Mr. Harris (Grey-Bruce): I move:

That subclause 2 of clause 7 of the bill be amended by adding at the ninth line after the words "three months" the following words:

"but such order shall not be effective until the expiration of ten days after the making thereof."

Mr. McCann: If hon. members will look at the section they will see that it has to do with the suspension of licences. The subsection reads:

In case of any alleged violation or non-observance by a private station of the regulations made by the corporation under this section, the corporation may, after notice has been given to the licensee of the alleged violation or non-observance and an opportunity afforded to the licensee to be heard, order that the licence of such private station be suspended for a period not exceeding three months.

And then the words of the amendment come in:

—but such order shall not be effective until the expiration of ten days after the making thereof—

And then it continues:

—and any such order shall be forwarded to the Minister of Transport who shall forthwith communicate the same to the licensee and shall take such steps as may be necessary to carry out the terms of such order.

This means that before an order is actually executed there is a term of grace, if one may so describe it, for a period of ten days, before it goes into effect.

The Chairman: Order. It appears to me the amendment has already been made in committee.

Mr. McCann: Yes, it has been made in committee.

The Chairman: Then I shall put the section as amended in committee. Shall section 7 as amended in committee carry?

Mr. Fleming: Mr. Chairman, are you putting the first subsection?

Mr. Diefenbaker: I do not understand what your ruling was.

The Chairman: There is no ruling. I am explaining that the amendment has already been made in committee. I have it before me, as made in committee, and I have put the subsection as it was amended in the committee.

Mr. McCann: Mr. Chairman, this has to do with section 7. Would you be good enough to call subsection 1 first. Subsection 2 is the part that is amended.

Subsection 1 agreed to.

The Chairman: Is subsection 2 as amended in committee agreed to?

Mr. Diefenbaker: I wish to refer to subsections 6 and 7, which are set out in subsection 2 of section 7. I shall not repeat the argument made this afternoon, that one of the matters respecting which there has been much criticism generally throughout the country has been the fact that in the relationship prevailing as between the corporation and the private stations no provision is made for the adjudication of disputes as between the corporation and the private stations. Indeed the corporation is in the position of making regulations, making the law as it were, interpreting the law and deciding on conflicts or disagreements as between the corporation and the private stations.

Many of us have advocated the setting up of a board similar to the board of transport commissioners in order to assure that as between the corporation and the private stations there will be a measure of equity, and the administration of justice will be preserved. However, that has not been accepted. Apparently with a desire to go part of the way provision is made in subsection 7 of section 7 that where the corporation orders the suspension of the licence of a private station under subsection 6, the licensee may by leave of a judge of the Exchequer Court of Canada appeal against such order to the said court on any question of law.

That right of appeal to the exchequer court is limited and circumscribed to such an extent as to be meaningless and ineffectual to all intents and purposes. It covers only the right of a private station to appeal when its licence is suspended or cancelled, only to leave, and only in the event that a question of law is involved.

I am not saying at the moment that there are cases where prejudice or bias would enter into the determination by the corporation as to whether a private station should not have its licence suspended. As it now stands this section will have the effect of continuing in the corporation its psychological power of interfering with any particular private station one might name; and that private station will be in the position, if it does anything that is contrary to the regulations of the corporation, of being subject to the cancellation or abrogation or suspension of its licence. It would have no appeal. If there is bias or prejudice in the cancellation of the licence there would be no right of appeal. There is only a right of appeal, regardless of what the equities or facts may be, provided there has been a mistake in law or provided a point of law is at issue as between the corporation and the private station.

In order to provide an appeal on fact as well as on law in connection with all orders made by the C.B.C., I move, seconded by the hon. member for Huron North (Mr. Cardiff):

That subsection 7 of section 7 be deleted and the following substituted therefor:

"Any person affected by any order, direction or ruling of the corporation may appeal to the Exchequer Court of Canada against such order, direction

or ruling on any question of law or fact or mixed question of law and fact, and the said court may stay the operation of such order, direction or ruling pending its final decision and said court may affirm, alter or rescind the order, direction or ruling appealed from."

Under that amendment the effect would be that if the C.B.C. made an order or a ruling as against a private station under which that station felt aggrieved, it would have the right to appeal to the exchequer court. While that court is of lower jurisdiction than the Supreme Court of Canada in general, it is composed of men who have the necessary judicial capacity to determine whether or not an order that has been made is fair and reasonable or whether it is one that is inequitable, unjust and unjustifiable.

This amendment would provide for an appeal by the private station, but it would in no way weaken the C.B.C. After all the stand of the corporation is that it in no way does anything that is unjust to the private stations. If it does not, it has nothing to worry about as to the right of appeal. If it does, being in the position of a competitor, as was brought out this afternoon, by reason of both the corporation and the private broadcasting company being engaged in an endeavour to secure advertising, then in order to assure justice the private station surely should have the right of recourse to the courts.

It is all very well to say that the corporation will not do wrong and does not do wrong. There is no court, except the final court, in any land that ascribes to itself infallibility in its judgments or decisions. Courts make mistakes; that is why there are appeal courts. Surely we are not going to ascribe to the Canadian Broadcasting Corporation a higher degree of infallibility than the courts possess, particularly when in many cases its judgment is based on a complaint or on a subject of controversy with its competitor, the private station.

While this amendment does not suggest the setting up of an independent body such as we on this side of the house have advocated over the years, one in the nature of the board of transport commissioners which adjudicates as between the government owned railroad and the privately owned railroad, it would provide, first, an alternative to such a board and, second, the assurance that both the C.B.C. and the private broadcasting company as co-litigants in a proceeding before the court would be assured of justice and at the same time any suggestion of bias, prejudice, intimidation or the psychological effect of the private company being subject to the control of the C.B.C., both as a competitor and in an adjudicating position, would be removed.

On the face of it this amendment would remove any and every possible cause of complaint. It would assure justice. It would preserve the rule of law. It would maintain a relationship between the corporation and the private broadcasting companies that would inure to the benefit of broadcasting in Canada.

Amendment (Mr. Diefenbaker) negatived: Yeas, 27; nays, 60.

The Chairman: I declare the amendment lost. Shall the section carry?

Mr. Harkness: Before it carries, I was not a member of the radio committee and probably the question I am going to ask was brought up before, but I should like to ask the minister why the word "alleged" is introduced in line 21. The clause now reads:

In case of any alleged violation or non-observance by a private station of the regulations made by the corporation under this section, the corporation may, after notice has been given to the licensee of the alleged violation or non-observance and an opportunity afforded to the licensee to be heard . . .

The corporation may then suspend the licence. I should think the suspension of the licence of a private radio station is the most stringent action that could be taken against it. As a matter of fact it puts the private station out of business. It would seem to me that before a private station is put out of business there certainly should be a proved case of violation or non-observance, and that an alleged violation should not be good enough. As the clause now reads it would seem to me all that is necessary is for somebody to allege that a violation has taken place; and if the private station does not produce proof, which may be very difficult for it to do, that it has not been guilty of a violation then its licence is suspended. I should like to know why it was felt necessary to introduce the word "alleged". It seems to me it is entirely unnecessary, and puts the private station in an almost hopeless position. In other words it goes directly contrary to all our usually accepted ideas of the law, namely that a person accused must be proven guilty. In this case the person accused has to prove that he is not guilty, otherwise he loses his licence.

Mr. McCann: As I see it, if the clause read "in case of any violation or non-observance" it would really be taking for granted that there had been an actual violation and would be prejudging the matter. When it is worded "alleged violation" the licensee is given an opportunity to be heard.

Mr. Harkness: The licensee surely had an opportunity to be heard anyway. I do not see that the minister has given an explanation for introducing the word "alleged". In

the act as it existed before the word "alleged" was not there. The clause merely read, "in case of any violation or non-observance". Apparently it is now proposed that it shall read "alleged violation". Why should it not be a proved violation? Why should the word "alleged" be inserted? As far as I can see it is for the specific purpose of putting the person against whom the violation is alleged at a disadvantage. It puts him in the position where he has to prove his innocence rather than leaving it, as has always been the case under our law, that the people alleging the crime or violation must prove that he is guilty.

The Chairman: Shall the clause carry?

Mr. Harkness: Oh, no, the minister has not explained it.

Mr. McCann: I have explained it but the hon. member does not understand it.

An hon. Member: And nobody else.

Mr. McCann: The hon. member is not a lawyer and neither am I. There is a great difference between a violation and an alleged violation. If I say that the hon. member violated a law or regulation I make an accusation, but if I say that I allege he has done so I am putting the onus on him to prove that he has not.

Mr. Harkness: That is exactly what I have been saying. The very point I have been making is that a private station should not be put in the position of having to prove its innocence.

Mr. Fulton: You had better ask the Prime Minister to explain it.

Mr. Harkness: It is one of the tenets of our law that an accused person must be proved guilty, and it should apply here as in nearly every other case.

Mr. Cannon: If I may put in a word by way of explanation—

Mr. Harkness: The minister's explanation is really the foundation of what I have been saying.

Mr. Cannon: —the words "alleged violation" in the first line of the clause refer to the accusation, to the violation of which they may be accused; but that is before any inquiry has been made. If the hon. member will read the whole clause he will see that it is as follows:

> In case of any alleged violation or non-observance by a private station of the regulations made by the corporation under this section, the corporation may, after notice has been given to the licensee of the alleged violation . . .

[Mr. Harkness.]

They give him notice so that he may defend himself, and at that time it is only an alleged violation. Before notice has been given it cannot be anything more than an alleged violation. That is why the word "alleged" was added in the first line, so there will be concurrence with what comes afterwards. That is the simple explanation. Before there has been an inquiry and before any investigation has been made into the matter there can only be an alleged violation.

Mr. Harkness: May I ask the hon. member for Iles-de-la-Madeleine if, in spite of his explanation, it still does not leave the situation such that a person against whom a violation has been alleged has to prove himself innocent?

Mr. Cannon: No, it does not mean that, not at all. In any case in which an accusation is made the fact that an inquiry has to be made into the accusation does not mean that the person accused has to prove himself innocent. It means that the person making the accusation has to prove the accusation. It is the same thing here. If there is an alleged violation an inquiry is made and the corporation making the accusation has to prove that a violation has taken place. Until it is proved it is an alleged violation.

Mr. Harkness: The explanation of the hon. member for Iles-de-la-Madeleine is the exact opposite of what the minister said. Which is right? Am I to take the minister's word for this or—

Mr. McCann: If it suits the hon. member any better I will withdraw my explanation.

Section agreed to.

On section 8—*Repeal.*

Mr. Fleming: I think you will find, Mr. Chairman, that in the report of the committee there is a submission with regard to clause 8. It was represented to the committee that there was no intention of removing section 23 of the broadcasting act from the statute books of Canada but simply to transfer it from the broadcasting act to the Radio Act. If you examine the report of the special committee on radio broadcasting you will see that in reporting the bill they indicate they have done so on the footing that this section is to be re-enacted in the Radio Act, and they so recommend. I think it should be clearly stated to the house that section 8 will not be brought into effect until a corresponding provision has been enacted by parliament by way of addition to the present provisions of the Radio Act.

You will observe, Mr. Chairman, that subsection 2 of section 8 provides that subsection 1 shall come into force on a day to be fixed by proclamation of the governor in council. The committee was informed that section was inserted with a view to deferring the coming into force of subsection 1, to repeal section 23 of the broadcasting act, until such time as the section could be re-enacted in the Radio Act. I think we should have on the record now formal assurance from the government that section 8 of this bill repealing section 23 of the broadcasting act will not be brought into force and effect until the same or an equivalent provision has been enacted by parliament to become a part of the Radio Act.

The Chairman: Shall the clause carry?

Mr. Fleming: No.

Mr. McCann: The information we have—and I think the hon. member heard it at the time—is that the officer of the transport department did say that it was the intention to re-enact this provision in the Radio Act in practically the same terms. Is that not correct?

Mr. Fleming: Yes. It is in the light of that information that I ask now that assurance be given that this section 8 of the bill will not be proclaimed. In other words, that section 23 of the broadcasting act will not be repealed until such time as the equivalent provision has been enacted into the Radio Act.

Mr. McCann: I think we can give that assurance.

Section agreed to.

On section 9—*Application to be referred to corporation.*

Mr. Browne (St. John's West): In making an application for a licence, is there a public hearing?

Mr. McCann: Yes, there is.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

DOMINION ELECTIONS ACT

AMENDMENT RESPECTING ADVANCE POLLS AND PRISONERS OF WAR VOTING REGULATIONS

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the second reading of Bill No. 41, to amend the Dominion Elections Act, 1938, and to change its title to the Canada Elections Act.

Mr. H. W. Herridge (Kootenay West): Having been a member of the elections act committee, Mr. Speaker, I should like to make a few observations at this stage. Before so doing I must gently chide the genial Minister of Public Works (Mr. Fournier) for some remarks he made last night when he was informing us of the business of the house. The minister said:

> Tomorrow we will continue the consideration of Bill No. 17, to amend the Canadian Broadcasting Act, 1936, and then a list of small bills: Bill No. 41, to amend the Dominion Elections Act . . .

I am quite sure this house does not consider this a small bill. It is not small in physical size, because it contains 50 pages. It is not small in content because it contains a great deal of material which is the result of much study on the part of the committee. It is not small in importance because it is the statutory provision governing the election of members to this house. I am sure it is not a small bill in any sense of the word so far as hon. members of this house are concerned.

I want to say that I have enjoyed working on the elections committee, both during the last session and this session. I particularly appreciate the non-partisan approach of the members of the committee in giving consideration to this very important legislation. The committee went through the act thoroughly from beginning to end. First of all we received the advice and suggestions of the chief electoral officer, Mr. Castonguay, as his experience had indicated there should be technical and other changes. Then the hon. members of this house presented to the committee the results of their personal experience, and their knowledge of conditions in various parts of Canada. I am sure the combination of the experience of the chief electoral officer and the experience of the members resulted in satisfactory amendments to this act.

Before proceeding with the sections of the act with which I wish to deal this evening, I do wish to pay a tribute to our chief electoral officer, Mr. Castonguay. I was very much impressed with his knowledge of the act and the completely detached and objective way in which he carries out his duties. Without doubt the majority of Canadians believe the chief electoral officer is some part of parliament's administrative machinery. He is not necessarily a personality they know. I am sure if they realized the objective way and the spirit in which our chief electoral officer carries out his duties they would have a very high appreciation of the great function he performs in a parliamentary democracy.

We in this group consider this bill generally satisfactory. We believe it is a most important measure because it is the foundation upon which the machinery of democracy functions. The other day I read newspaper comments concerning the limited knowledge and information of university students about the working of our democracy. They were asked who the Prime Minister of Canada was, and so on, and it was obvious from these newspaper reports that a lot of university students do not know who the Prime Minister of Canada is. These students lack other information relating to this house. I believe this indicates some lack in our educational system. In my opinion every high school student in Canada should be taught the terms of the British North America Act. In learning those terms the student would have a complete knowledge of constitutional developments in Canada, and of Canadian history. I believe everyone should have a thorough understanding of the Canadian Citizenship Act and of the elections act. Those three acts are fundamental and must be understood by a large percentage of our people if they are going to have a proper appreciation of the democracy we enjoy.

I am going to devote the rest of my remarks, Mr. Speaker, to a subject about which I am quite concerned, and about which a proportion of the constituents I represent are concerned. According to the elections act now, and the provincial legislation of British Columbia, certain persons of Doukhobor origin are denied the franchise. I am going to bring briefly to the attention of the committee a misunderstanding I found in the elections act committee when I first approached the matter. There seems to be a misunderstanding generally throughout the country, occasioned largely by improper reporting of the circumstances that exist in Kootenay West. I am going to deal briefly with that question as related to the elections act.

There is no question about it, no other immigrant group in Canada presented such a spectacular problem to federal and provincial governments as the Doukhobors, who are a religious sect of Russian origin. There are some seven or eight thousand Doukhobors in Saskatchewan and Alberta who have become more or less successfully adapted to their Canadian environment. There are some ten to twelve thousand persons of Doukhobor origin in Kootenay West and adjacent districts. In order to inform hon. members correctly I must explain that the Doukhobors in British Columbia consist of three main groups. First there is the orthodox element of some six thousand persons, the majority of whom belong to the Union of Spiritual Communities of Christ and live in the area surrounding the village of Brilliant. These people represent the heart of the Doukhobor community and are a group who aim to retain their traditional language, culture and religious beliefs while making a peaceful adjustment to the Canadian way of life.

Then we have the independent element numbering about three to four thousand persons. This element is composed of individual Doukhobors who have become partially or entirely assimilated. While many of them still pay lip service to the traditional Doukhobor beliefs, they have severed their former ties with Doukhobor organizations and occupy their own properties in the cities and in the country. This is the group that I want to deal with briefly in relation to this bill, Mr. Speaker. Then, finally, there is the group known as the Sons of Freedom, numbering something over two thousand persons. They are uncompromising Doukhobor fundamentalists who tend to react violently against any forces in the Canadian environment which they feel threatens their traditional Doukhobor values. Unfortunately, Mr. Speaker, with many Canadians the Doukhobor problem tends to be identified almost entirely with the activities of the Sons of Freedom, who refuse to pay rent or taxes and are technically squatters on provincial land.

In 1950, as a result of the disturbances occasioned by the Sons of Freedom, a consultative committee for British Columbia was established under the chairmanship of Dr. MacKenzie, president of the university of British Columbia, composed of several of the staff of that university and representatives nominated by boards of trade at Nelson, Trail and Grand Forks. Before proceeding further, may I say that this committee was formed to study the whole Doukhobor question and make recommendations to the government of British Columbia.

From a personal knowledge of the local situation and a personal knowledge of what these people are doing, I must express my appreciation of the work of the members of the committee, and of the outstanding work that is being performed by former Commissioner Mead of the Royal Canadian Mounted Police, former Commissioner Shirras, of the provincial police, and to the Society of Friends, for allowing Mr. Gulley, one of the former United Nations relief administrators in Arabia, to come to the Kootenays to assist in solving this question. I must also express my appreciation of the work being done by the ministerial association of the Nelson district. Only recently I read of a meeting

where large numbers of these people were gathered together with other segments of the population in an effort to bring those two groups together. I must say, Mr. Chairman, that the meetings have been successful to date. There is no question about it that part of the difficulties in Kootenay West are created by the lack of interest other Canadians have taken in the problem they created in the years gone by.

I am also informed that officials of the minister's department are co-operating in this work and have attended meetings to discuss this question with interested persons. I hope this work will continue and be extended, because it presents a great challenge and opportunity to the citizenship branch of the Department of Citizenship and Immigration.

Now that I have briefly reviewed the question may I say that I rise this evening to speak particularly on one aspect of the Doukhobor problem, namely the great injustice that is continued by the denial of the franchise to this group of independents and others of Doukhobor origin. The statutes of British Columbia prevent a Doukhobor or a person of Doukhobor descent from voting in a provincial election. I want to quote from those statutes. I quote revised statutes of 1948, chapter 106, provincial elections act."

> Definition of Doukhobor: Doukhobor means a person, male or female, exempted or entitled to claim exemption or who on production of any certificate might have become or would now be entitled to claim exemption from military service by reason of the order of the governor in council of December sixth, 1898, and every descendent of any such person, whether born in the province or elsewhere . . .

Then section 4, clause E, of the provincial elections act, disqualifies "every Doukhobor or person of Doukhobor descent, providing that the provisions of this clause shall not disqualify or render incompetent to vote any person of Doukhobor origin who served in His Majesty's forces" and so on. They are not allowed to vote in a provincial election. Section 14 of the Dominion Elections Act and of the act before us now, the Canada Elections Act, reads as follows:

> (2) The following persons are disqualified from voting at an election and incapable of being registered as electors and shall not vote nor be so registered, that is to say—
> . . . (j) In any province, every person exempted or entitled to claim exemption or who on production of any certificate might have become or would now be entitled to claim exemption from military service by reason of the order in council of December sixth, 1898, because the doctrines of his religion make him averse to bearing arms, and who is by the law of that province disqualified from voting at an election of a member of the legistive assembly of that province.

As a result of this combination of provincial and federal legislation, so far as elections are concerned some considerable group of persons of Doukhobor ancestry are prevented from exercising the franchise, regardless of the fact that they are willing to accept the full responsibilities of a Canadian citizen. What are the types of persons disqualified? There are a good many persons of Doukhobor ancestry who are completely detached from the Doukhobor community and are working in industries in my constituency, but who are not permitted to exercise the franchise in Canada. There are businessmen in my constituency, members of boards of trade, members of Rotary and other service clubs, members of churches—members, I think, of several churches to which members of the House of Commons belong—who are absolutely denied the franchise because they are of Doukhobor origin. I have, of course, in my constituency a number of university graduates, doctors of philosophy, masters of arts, bachelors of science, who are denied the franchise because they are of Doukhobor descent, but who have completely divorced themselves from the Doukhobor community.

In addition I know of a number of Doukhobor parents who persuaded their sons to join the armed forces during the second world war. There were considerable numbers of Doukhobors in the armed forces. Anyone who understands the Doukhobors realizes that that is something for the parents of young Doukhobors to do. Regardless of their desire—and in that case, from their point of view, an extreme demonstration of their desire—to be Canadian citizens, those parents at the present time are denied the franchise.

Then again, the grandchildren of Doukhobors whose grandmothers were Canadians of united empire loyalist stock are denied the franchise under the present legislation. I am speaking particularly of this group of three or four thousand persons, the independents, who are not associated with the orthodox community and are completely opposed to and dissociated from the Sons of Freedom. Mr. Speaker, in Saskatchewan and, I think, in every other province in Canada these people are permitted the franchise; that is, people of Doukhobor origin who are willing to accept the responsibilities of Canadian citizenship. I am making this particular appeal to the house tonight with the realization that it is not possible to secure an amendment to the act at the present time. I do so in order to inform hon. members of the situation so that when this act comes under revision in the near future, and when circumstances are opportune, something will be done about this continuing injustice.

Canada approved the universal declaration of human rights at the general assembly of

the United Nations with certain reservations based on provincial rights under our federal constitution. What does article 21 of this declaration say? It reads as follows:

1. Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.
2. Everyone has the right of equal access to public service in his country.
3. The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

Recently in the Ontario legislature a bill was introduced with respect to certain trade union legislation, and the United Nations declaration of human rights was quoted by the minister presenting that legislation to the house as one of the reasons the legislation was being introduced. Not long ago in California the district court of appeal upset a state law that caused discrimination against a certain race, and that district court of appeal judge based his decision on the universal declaration of human rights as adopted at the general assembly of the United Nations. In my opinion, Mr. Speaker, federal and provincial legislation denying a franchise to these Canadian citizens is unconstitutional and I am convinced that an appeal to the privy council would be successful.

I presented this situation to the elections act committee, and after I made a very similar explanation to that which I have made here this evening I was very pleased to see that committee members were sympathetic to my representations, and understood the question much more fully than they had prior to that time. When the committee presented its report on June 27, 1951 they included in it the resolution I had moved and which the committee had adopted as follows:

That the government give consideration to extending the franchise to certain persons of Doukhobor origin and the advisability of consultation with the government of the province of British Columbia in this matter.

The committee met this session. This bill is the result of their meeting. I took the opportunity then to raise the question and find out what had happened. The Minister of Citizenship and Immigration (Mr. Harris) very kindly stated this to the committee:

The committee at the last session passed a resolution which asked the government to give consideration to approaching the provincial government of British Columbia with respect to the possible voting of Doukhobors. The form of the resolution was such that we did not feel any compulsion to approach them; it was merely that we would give consideration to approaching them, and we did that. Having in mind, however, that at this particular time the question of the movement of the Doukhobors from one location to another was a matter of some concern to the people in British Columbia as well as to the government we felt that we would be injecting another note which possibly might not be to the advantage of the government in solving what I think we all agree is a very difficult problem, and, accordingly, we have not approached them. I hope that statement has nothing in it in any way discourteous to the mover of the resolution, because it has only been carried to that extent, but it is felt that this is not the time that such a matter should be proceeded with.

Mr. Herridge: Might I ask the minister a question?

Hon. Mr. Harris: Yes.

Mr. Herridge: Are we to take it from that that action on the resolution is merely deferred until circumstances are more opportune?

And the minister replied yes. Because of my knowledge of the circumstances, Mr. Speaker, I think there is justification for some temporary delay in this important question because there are very difficult matters to be solved in the near months and years ahead. But I do hope that at the first opportunity, when the situation has improved in British Columbia and the work of this committee has been more nearly completed, the government and the members of this house will give early consideration to remedying this injustice to a large group of persons who want to be full Canadians. I realize, Mr. Speaker, that if these people are to receive justice there must be co-operation between the federal government and the government of British Columbia. I know that in dealing with this matter this government has to give some consideration to the present problem being faced by the government of British Columbia. But once again I urge that action be not long delayed. We cannot in justice deny the franchise to these Canadians much longer.

(Translation):

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, looking at today's order paper, we notice that the French version of this bill has not been produced. Since it is a translation and because there is even one section of the bill, section 58, where new French expressions are used, it seems important to me that we should have both versions of the bill, especially the French version, so that we may know exactly what designation is given to the same functions.

The other day I spoke somewhat heatedly of the translation of laws. I will read section 58—I have just now received the French version of the bill—where it is seen that certain changes were made in the new legislation:

The French version of the said act is amended by striking out the expressions "officier-rapporteur" "sous-officier rapporteur", "officier rapporteur spécial" and "sous-officier rapporteur spécial" wherever they appear herein and substituting therefor, in each case, the expressions "directeur du scrutin", "sous-directeur du scrutin" and "sous-directeur spécial du scrutin", respectively.

The latter terms are unknown to those who look after the administration and enforcement of the elections act throughout the country. At all times, town clerks and others have been appointed "sous-officiers rapporteurs" (deputy returning officers)—that is how they have always been called—and it seems to me that when a French or English expression is sanctioned in the act, it should become a Canadian expression.

I understand that in the United States, whenever even a slang expression has been in the statutes for twenty-five years, it becomes official. I feel that here this is not necessary, and one cannot say that certain French terms are anglicisms, as long as they are accepted and authorized by the act.

I wonder why changes are made in terms and phrases that have their place and, especially, have a meaning. But what strikes me most, Mr. Speaker—and I will quote only one instance here—is that two different terms are used in the act to designate the same thing. For instance, on page 124 of *Votes and Proceedings*, in rule 33, the revising officer is called a "reviseur", while on page 120 he is called an "officier reviseur". That is very odd.

It seems to me the designation applied to someone carrying out the same duties should always be the same and, in my opinion, the use of two different designations is apt to be confusing.

I have also noticed that, in many sections, the French version of the act is bilingual since certain terms belong to the French language while others belong to the language of bureaucracy. Whenever a designation belonging to the language of bureaucracy is used, "expression française" is put in parentheses as an explanation or comment, in order that people may not be too baffled.

I will not insist too much on this subject since I do not intend to take up too much of the time of the house. But, Mr. Speaker, the question is extremely serious since I have the greatest respect for the law and I hold that it should be as immutable as possible.

In many circumstances I have complained of the far too great number of amendments made to the law. It runs past our eyes like a film. It lacks stability and that greatly affects jurisprudence.

Still, Mr. Speaker, I do take some consolation from the reading of the amendments to the elections act. Electors are not called "commettants" but "électeurs". It seems to me that immense progress has been made. In *Hansard* electors are called "commettants", here they are called "électeurs"; that is some progress anyway. I will not stop there; I warn the house against the work of translators in general. I am informed that in the translation of the Criminal Code, from English into French, there are a great many new expressions which will contribute a great deal to confuse all those who have to interpret and enforce the law. I hope the Minister of Justice (Mr. Garson), who is now in his seat, will see to it that no changes are made in the terms now used in the French version of the Criminal Code and of the other statutes. Statutory law is complicated enough as it is now and, in my opinion, it would be absurd to make it absolutely incomprehensible by using new expressions unknown to and not understood by the public.

Tonight I have appealed, as best I could, to the common sense of my colleagues and to the legal experience of those whom it is my privilege to number among my fellow members of the bar. It is my hope that each one of them will see to it that those who want to do better than others are prevented from defacing or mutilating the law.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, I have only one or two words to say. I wish to support the remarks made by the hon. member for Temiscouata (Mr. Pouliot) and insist on the importance, for lawyers and those who deal with the administration of the law, of not changing the terms that have been used in legislation for a great number of years and which have been interpreted by our courts, because changing those terms would naturally result in changing jurisprudence and in preventing its application.

Now the hon. member who spoke before me said that in preparing the French version of certain legislation, the meaning of the English version was not being properly rendered. In other words, there was legislating done in preparing the French version. We have a striking example of that in the bill now before us. I was a member of the elections act committee. When we dealt with section 58 of that act and when it was suggested that the words "officier rapporteur" should be replaced by the term "directeur du scrutin", I put forward the view that such a change should not be made for the same reasons as those already mentioned by the hon. member for Temiscouata. Another

reason which prompted me to take that stand was that the words "directeur du scrutin" do not correspond exactly to the meaning of the English term "returning officer", whereas the term "officier rapporteur" is, in my opinion, more accurate. If the use of the term "directeur du scrutin" in the French version is insisted upon, the English version should also be changed so as to read "director of voting".

I gave that example to the house in order to illustrate what has just been put forward by the hon. member who spoke before me.

(Text):

On motion of Mr. Fair the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up Bill No. 41, to amend the Dominion Elections Act; Bill No. 42, respecting the National Gallery of Canada; Bill No. 8, to amend the North Fraser Harbour Commissioners Act. Those three bills we intend to proceed with in the morning.

Then Bill No. 43, to amend the Civil Service Act; the resolution of the Minister of Trade and Commerce concerning the provision for short-term credit to grain producers in the prairie provinces; Bill No. 18, to provide for the establishment of an agricultural products board; Bill No. 36, to amend the Combines Investigation Act; Bill No. 23, to amend the Government Annuities Act.

From Bill No. 43, of the list I have given, I cannot at this time state in what order they will be called.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Friday, December 14, 1951

The house met at eleven o'clock.

CIGARETTES

PRIVILEGE, MR. MCIVOR—REFERENCE TO ARTICLE IN "GLOBE AND MAIL" REFERRING TO SMUGGLED CIGARETTES

Mr. Daniel McIvor (Fort William): I rise to a question of privilege, Mr. Speaker. There is an article in the *Globe and Mail*, a newspaper I respect and frequently read, bearing this headline: "Claim Seven of Ten M.P.'s Use 'smugs'." The reference is to smuggled cigarettes, Mr. Speaker. This whole house passed this law, and if members of parliament are so keen on saving a few cents on cigarettes I do not think this is the place for them. We should obey our own laws if we expect others to obey them.

Mr. Leon Balcer (Three Rivers): When I made that statement, Mr. Speaker, I did not intend to include the hon. member for Fort William (Mr. McIvor).

Mr. McIvor: It is true, Mr. Speaker, that I do not smoke, but if I did smoke I would pay for my cigarettes; I would not smuggle them.

MISCELLANEOUS PRIVATE BILLS

First report of standing committee on miscellaneous private bills.—Mr. Winkler.

PUBLIC SERVICE

INCREASES IN SALARIES, PAY AND ALLOWANCES OF CIVIL SERVICE, ARMED FORCES AND MOUNTED POLICE

Right Hon. L. S. St. Laurent (Prime Minister): I should like to make an announcement concerning increases in civil service salaries, the pay and allowances of the armed forces, and the pay of the Royal Canadian Mounted Police. The statement is as follows:

After a careful review of all relevant factors, the government has decided that it would be right and proper to authorize an increase in salaries in the civil service, and in the pay and allowances of members of the armed services and the Royal Canadian Mounted Police. The last general adjustment in rates of pay occurred in December of 1950.

As I have said on previous occasions, the government's policy in these matters is based on two main principles. First, that salary and pay scales and other conditions of employment in both the civil service and the armed forces should be such as to attract and retain persons of the right type and necessary qualifications. Second, that having regard to the ancillary conditions of employment, remuneration for each class of work or employment should be generally in line with that paid for comparable work by good private employers.

Applying these principles to current conditions, the government believes that a broad series of pay and salary increases is now justified. These increases will apply to all ranks in the armed services and the R.C.M.P. (excluding the commissioner and the chiefs of staff) and to all classes of the civil service with the following exceptions:

(a) The salaries of civil servants in the higher brackets will be reviewed on an individual basis.

(b) Where it is clear that current civil service salary rates are already closely in line with rates being paid by good private employers, the civil service commission will consider whether and to what extent it would be proper to recommend specific increases.

(c) Where the salaries paid in any class have been adjusted since December, 1950, a lesser increase than that applied generally will be authorized, again having regard to rates being paid by good private employers.

(d) The proposed increases will apply only to classified employees. The rates of pay of prevailing rates employees, as is well known, are governed by the prevailing rates in similar private employment.

The amount of increase will vary from class to class in accordance with the basic principles to which I have already referred. The range of percentage increases will be from about 4 per cent to about 14 per cent. The general average effect of these increases will be to add between 8 and 9 per cent to the total salary, pay and allowances cost of both the civil service and the armed services. It is proposed that all these adjustments will date from December 1, 1951.

Full details of the new rates of pay and allowances in the armed services and the pay of the Royal Canadian Mounted Police are being announced by the Minister of National Defence (Mr. Claxton) and the Minister of

Justice (Mr. Garson) and I take this opportunity of tabling copies of these announcements. Complete details for all classes of civil servants are not yet ready. The civil service commission, however, has completed its recommendation for all the larger classes covering more than four-fifths of the personnel in the classified civil service, and I am tabling a copy of these recommendations which have been approved by the government. The remaining classes will be dealt with during the next few weeks and will be announced in the usual way as soon as they have been approved.

In the case of most departments, there have been sufficient savings in the salary votes to take care of the increased rates of pay for the remaining months of this fiscal year. Some departments may require small supplements to their salary votes before the end of the fiscal year. If that proves to be necessary, parliament will be asked early in the 1952 session to vote the required funds.

I now table copies of the schedules prepared by the civil service commission for the civil service and approved by the government and copies of the announcement and schedules issued by the Minister of National Defence and the Minister of Justice.

Mr. Knowles: I should like to ask the Prime Minister a question. Would it be possible for a document to be tabled showing us the basis on which these calculations have been made, in view of the fact that this 8 per cent increase in salaries covers a period during which the cost of living index has risen by about 12 per cent?

Mr. St. Laurent: If the hon. member will look at the schedule that has been tabled, I hope he will find in it all the information required in that regard.

PRIVATE BILLS

RELIGIOUS COMMUNITIES BILLS—REFERENCE TO COMMITTEE OF THE WHOLE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, might I have the unanimous consent of the house to make a motion with respect to these four bills concerning religious communities which have just been reported, without amendment, from the committee on miscellaneous private bills. The bills having been distributed to hon. members on December 11, I should like to move that when we pass to the orders of the day they might be referred to the committee of the whole house for immediate action prior to our dealing with government orders. I think that would be in order.

Some hon. Members: Agreed.

Mr. Speaker: Agreed.

[St. Laurent.]

HOUSE OF COMMONS

AUDIBILITY OF DEBATE—INQUIRY AS TO PROGRESS IN INSTALLATION OF MICROPHONE SYSTEM

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Rosetown-Biggar (Mr. Coldwell) requested that I table the correspondence concerning the installation of a loud-speaker system in the House of Commons. I now do so.

NATIONAL DEFENCE

RADAR SCREEN—REFERENCE TO ARTICLES IN MONTREAL "HERALD"

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, yesterday the leader of the opposition (Mr. Drew) referred to articles which appeared in the Montreal *Herald* of December 10, 11 and 12.

Perhaps it would be a fair summary of the articles to say that they allege that, despite orders for $400 to $500 million worth of radar equipment, it is doubtful if our radar defences will be completed in the three years planned and that this is because of red tape and delay in ordering and producing equipment.

The articles leave the impression that $400 to $500 million have been appropriated to be spent on equipment for the radar screen. I am unaware of the source of this figure but it is fair to say that it is a gross exaggeration. A more correct figure would be in the neighbourhood of 10 per cent of this amount. The equipment on order for the radar screen is of the latest type. Orders were placed as soon as the development work on this equipment had proceeded to a sufficient point to enable production to be undertaken. It will be appreciated that it takes about two years to construct a station of this kind and to make and instal the radar equipment. While delays are inevitable in this, as in every other country, in the production of new and complicated equipment of this kind, reasonably satisfactory progress is being made and some of the equipment has in fact already been installed. In the interim, we have equipment of the type in use at the end of the second world war.

FISHERIES

MARKETING OF NEWFOUNDLAND SALT CODFISH

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, I think I should make a short statement this morning on the marketing position of Newfoundland salt codfish. Certain misleading statements made in the house on Monday, December 10, by the hon. member

for St. John's West (Mr. Browne) make it desirable for me to put the record straight.

Marketing of the 1951 production of salted cod is proceeding satisfactorily. Total production of salted fish was slightly higher than in 1950. However, shipments to market from July to November this year were 333,000 quintals, compared with 220,000 quintals of 1950 fish in the same period of last year.

The stocks on hand today are 80,000 quintals below those for the same date last year and 300,000 quintals less than in 1949. Contracts already made for the balance of the marketing year, together with regular monthly shipments to traditional markets, will take care of all fish on hand before the new season's fish becomes available.

The hon. member mentioned the Spanish market. I can inform him and the house that a shipment to that market is going forward this month.

Mr. Graydon: Order. This is not in order. We have let the minister go on as long as we can. This is an abuse of the privileges of the house.

Some hon. Members: No.

Mr. Graydon: Oh, yes. You cannot answer an hon. member in that way.

Mr. Speaker: Order. If the hon. member for Peel (Mr. Graydon) wishes to speak he should rise in his place.

Mr. Graydon: On your invitation, Mr. Speaker, I should like to rise in order to say this. We allowed the minister to proceed a long way in order to say this. We allowed the minister to proceed a long way in this statement which he actually had no right to make in answer—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. member must be heard without interruption.

Mr. Graydon: Actually the minister had no right, under the rules of the house, to reply to a private member who made a certain statement in debate. I had thought that the minister was going to make a new statement of policy with respect to Newfoundland salt codfish. But instead of that he was using this as a means of replying to something said in ordinary debate. He should not have done that.

Mr. Mayhew: I do not agree with the hon. member for Peel. I am making a statement to correct a misstatement that will be detrimental to the fishermen of Newfoundland. That is my purpose in doing this.

Mr. Graydon: You must make it in debate.

Mr. Speaker: Order. I am not sure whether there will be an opportunity during the debate before the end of the session for the minister to reply. It occurs to me that the house would like to have the information, but the statement must not be provocative or argumentative.

Some hon. Members: Hear, hear.

Mr. Speaker: Probably the minister can make his statement. He should give information only to the house.

Mr. Coldwell: May I—

Mr. Mayhew: I have no intention whatever to enter into a debate with the hon. member.

Some hon. Members: Order.

Mr. Coldwell: Mr. Speaker—

Mr. Speaker: Order. Before the hon. member for Rosetown-Biggar speaks, does the minister desire to continue with his statement, or to make a statement explaining his statement?

Mr. Coldwell: My question has a bearing on that. In this corner of the house we cannot hear what the minister is saying. I wonder whether he would speak a little louder.

Mr. Mayhew: I say that I have no intention of following and answering the debate of the hon. member for St. John's West; I merely want to make this statement.

Mr. Graydon: That is what has been done.

Mr. Mayhew: A similar healthy marketing situation exists in the mainland producing areas. Export prices for salted fish have shown definite improvement this year. Prices, grade for grade,—

Some hon. Members: Order.

Mr. Graydon: On a question of privilege—

Some hon. Members: Order.

Mr. Green: Order.

Mr. Mayhew: Prices, grade for grade, are significantly higher than a year ago.

Mr. Speaker: Order.

Mr. Graydon: Order.

Mr. Mayhew: Efforts will continue to be directed towards expanding the markets, both at home and abroad, for all Canadian fish products.

Mr. Graydon: Mr. Speaker, now that the record has been played I suppose I might as well sit down.

Mr. Stuart (Charlotte): On a question of privilege—

Mr. MacInnis: I should like to say something on a point of privilege. I think it shows exceedingly bad taste from those on the front opposition benches to object to a statement of this kind after all that was said by their leader during the last two weeks on questions of privilege from that very place.

Mr. Stuart (Charlotte): Mr. Speaker, on a point of privilege I should like to add a few words myself. May I say in this connection that we have had announcements in respect to the wheat growers and other farmers in the Dominion of Canada, but I have never heard an interruption like this. But in connection with the fishing industry, something that is of great interest to many of us coming from the maritime provinces, the interruptions today were very much out of order.

Mr. Browne (St. John's West): Mr. Speaker—

Some hon. Members: Get the facts straight.

Mr. Speaker: In view of the minister's statement I think we should hear a few words from the hon. member from St. John's West.

Mr. Browne (St. John's West): I should like to address a question to the Minister of Fisheries for the purposes of clarification. Will the minister state whether the fisheries prices support board is watching the market and the prices paid the fishermen—not the prices paid in the foreign markets, but prices paid to the fishermen—so they can come to the assistance of the fishermen if they are not getting suitable prices for their fish, as I pointed out in my address the other day?

Mr. Mayhew: The answer is definitely yes, and has been ever since I have been Minister of Fisheries.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the provisions of section one of chapter forty-seven of the statutes of 1950 and thus render such areas eligible for assistance.

Some hon. Members: Explain.

Mr. Gardiner: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house. But, under the circumstances, as has been suggested from the far corner of the house, I think I should make an explanation.

Mr. Speaker: Order. This would be an unusual procedure.

Mr. Casselman: This is an unusual day.

Mr. Speaker: It would be an unusual procedure to have an explanation made at this time. I will allow it only with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Gardiner: Mr. Speaker, the objective in making the statement at the moment is that I think it was understood by the house some days ago that probably no new legislation would be brought in at this stage. I only wish to say, with regard to that, this measure was mentioned early in the session and was on the list of legislation which was to have been brought down, but it was dependent upon information which had to be gathered in the Peace river country particularly, and all across the northern part of the province of Alberta. I wish only to read to the house a statement which I made to the committee in 1950 when the Prairie Farm Assistance Act was being amended. It is found on page 72 of the minutes of proceedings and evidence of the committee:

I can give more assurance to my hon. friends. Since we met this morning and before the meeting this afternoon, we had a meeting of council and I discussed this matter with council, and they agreed with what I suggested. They think it should be retroactive in order to make the check that we want to make; and they are also committed to the undertaking I have given to the committee that if we find it is creating hardships which should not be created under the spirit of the act, we shall have amending legislation next year.

In order to explain what that had to do with my request may I say that we brought in legislation, as the house will recall, in 1950, which provided that prairie farm assistance would not be paid on certain lands which were in areas that had been open for homesteading prior to 1940, but had not been settled upon. At that time it was brought to our attention by members from the province of Alberta that there was a new area in the northern part of the province which should not come under that restriction. We gave an undertaking at that time that we would have our inspectors examine into that area carefully. We have had that examination made and we think that the payment should be made in the section of the country which is north of township 60. That will include the areas right across the north of the provinces in which new settlement has been made.

The payments are made under this legislation in December. If the legislation were agreed to now it would not be necessary for us at a later date to come back and make retroactive payments in connection with the year 1951. These cannot be made under the act as it now stands. Therefore I suggest that just a simple amendment be put in which says in effect that these payments may be made north of township 60 on lands which have been settled since January 1, 1941. I think that will meet the wishes of those who brought the question up during the time the matter was being considered in the committee on agriculture in 1950. I do not think it would necessitate any discussion on the general provisions of the Prairie Farm Assistance Act. If it were going to be the wish of the house, when the matter is considered, that there should be a discussion on the whole act, then I am afraid I would have to allow the legislation to fall by the wayside because I do not think there is time to do that this session.

Mr. J. G. Diefenbaker (Lake Centre): Is it intended that the restriction that now applies in the amendment passed last year will continue in Saskatchewan? If so, it is most unjust to the farmers in Saskatchewan who are in a position similar to those in Alberta who will get the benefit of the Prairie Farm Assistance Act.

Mr. Gardiner: In answer to the question, it does not have that effect. It is township 60 right across the provinces.

Mr. P. E. Wright (Melfort): Mr. Speaker, the minister knows perfectly well, coming from the west, that the line does not run straight east and west with regard to the settlement of these three prairie provinces. It runs from the northwest to the south, and the area affected in Saskatchewan is mostly between 45 and 60. Also the area in Manitoba is in that area, after this legislation passes.

Mr. Abbott: Next session, next session.

Mr. Speaker: Order.

Mr. Gardiner: In answer to what has been said, and so that we may have an understanding of the position, there has been a complete examination made of the four provinces of British Columbia, Saskatchewan, Alberta and Manitoba; and I think it can be very clearly shown, when this bill is before the house, that there is not anything at the moment along the line suggested by the hon. member for Melfort (Mr. Wright). If any such thing should happen in the future, of course, the house is still here to take care of it.

Mr. Speaker: Is it the pleasure of the house that, notwithstanding standing order 60, I now leave the chair?

Mr. Abbott: No.

Mr. Gardiner: I did not ask that. It was simply to say that if there is going to be any long discussion of the measure, then I do not wish to proceed with it at this session. If it can be permitted later on, when we come to the time to deal with it properly in the house, to proceed without a lengthy discussion, then I would like to proceed with it at this session in order to make it possible to make the payments in December, which otherwise would not be made.

Mr. Wright: If there is going to be this discrimination, then there will certainly be discussion.

Mr. Abbott: Next session.

Mr. Gardiner: We will see when we come to it.

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

Motion agreed to.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 37, respecting the general synod of the Church of England in Canada.—Mr. Fulford.

Bill No. 38, respecting the general synod of the Church of England in Canada and the missionary society of the Church of England in Canada.—Mr. Fulford.

Bill No. 39, to incorporate the Evangelical Mennonite Brethren of Canada.—Mr. Diefenbaker.

Bill No. 40, to incorporate the Sisters of Charity of the House of Providence.—Mr. Henderson.

DOMINION ELECTIONS ACT

AMENDMENT RESPECTING ADVANCE POLLS AND PRISONERS OF WAR VOTING REGULATIONS

The house resumed, from Thursday, December 13, consideration of the motion of Mr. Harris (Grey-Bruce) for the second reading of Bill No. 41, to amend the Dominion Elections Act, 1938, and to change its title to the Canada Elections Act.

Mr. Robert Fair (Battle River): Mr. Speaker, in the light of the friendly Christmas feeling evidenced this morning thus far, I feel we are lucky indeed to live in a country with the form of government we have here in Canada. Many people across the Atlantic would be very glad if they were in the same position.

In the elections committee this year, as in many other years, there was a spirit of friendly co-operation. That co-operation lasted while matters proceeded as the majority desired—and that is perhaps as one might expect. I might add however that for a number of years I have been trying to bring to the attention of the house an improved system of voting. Four or five years ago I had a bill prepared by the law clerk and, by coincidence, on the morning my bill was placed in my hands there appeared in *Votes and Proceedings* another bill along similar lines in the name of the hon. member for Kenora-Rainy River (Mr. Benidickson). Because of the rush of other business before the house at the session it was not possible to deal with that bill.

On different occasions since that time I have brought to the attention of the committee on elections the fact that we should improve our system of voting, and I believe the reason for bringing about that improvement has not been disputed thus far.

Looking into the records since the time of my first election in 1935, I find that a number of members have been elected to the House of Commons without having received a majority of the votes cast in their constituencies. In 1935, I find, 103 members were elected by majority votes, and 138 by minority votes. In 1940 there were 162 majority candidates, and 79 minority candidates. Then, in 1945—and this may appear strange—only 99 members were elected by majority votes, while 142 came to the House of Commons with minority votes. In the 1949 election 142 members were elected by majorities, and 116 by minorities. The government has approximately 190 seats out of 262 and I believe they got 49 per cent of the vote polled. In my opinion that is not giving the kind of representation to which we are entitled in a good country like Canada. There should be some other method of voting which will give us the proper representation and prevent any member coming to this house unless he has received at least 51 per cent of the vote polled.

In addition to myself and the hon. member for Kenora-Rainy River, there are other people in Canada who feel that our system should be changed. About two and a half years ago the Canadian Chamber of Commerce took up this matter and considered it worthy of some research. They requested their various branches across the dominion to indicate what they thought about having another system of voting which would bring about the results I have mentioned, that is, not allowing a member to come here without having a majority of the votes cast in his constituency in a particular election.

The chamber of commerce stated that if a sufficient number of their branches across the country were in favour of having a change made they would press the matter further. Apparently that majority was obtained because they made a request to have another method of voting adopted. When the committee met during the last session another letter was received from the secretary of the chamber of commerce reminding the committee of the request that had been made by that organization.

To carry this along a little further, we find that in the election held on November 22 in Ontario the Progressive Conservatives obtained 79 seats although they received only 49 per cent of the votes; the Liberals obtained 7 seats although they received only 31 per cent of the vote, and the C.C.F. obtained 2 seats although they received 19 per cent of the vote. Anyone who considers those figures must realize that things are not as they ought to be. When people come here to speak for their constituents they should have better backing than many have at the present time.

In my own particular constituency there were five candidates running in 1945. Had the vote been split up fairly evenly it would have been possible for a member to have been sent here after receiving only 25 per cent of the vote, or perhaps even less. In my opinion that is not good business. In the last election there was one candidate elected in Toronto who received 38½ per cent of the vote. This man belongs to the communist party. We are sending thousands of our men overseas and spending millions of dollars in fighting communism, yet under our method of voting one of their spokesmen sits in the legislature at Toronto. It may be necessary for me to deal more in detail with that a little later on.

This matter was brought up in the committee on November 15 last. I did not bring in an amendment at that time, but I did bring up the question for consideration. After I had explained this somewhat the chief electoral officer was called. I must say that he is doing a good job and in doing that he is following in his father's footsteps. Since I came here in 1936 I have had the best of co-operation and service from the former chief electoral officer and the gentleman who holds that office at the present time, and I think every hon. member of this house has had similar treatment. I hope that continues.

The chief electoral officer made quite an exhaustive presentation. There were two hon. members in particular who objected to the method of voting. I might say that in

Manitoba and Alberta we have a form of alternative vote, but that does not give the results which I want to get in the dominion elections. Under that system a person may vote for only one candidate and stop right there. That is what we call plumping. The result is that many members are elected without having a majority of the votes polled.

In Australia they have compulsory registration and compulsory voting. They use a system of marking ballots which I should like to see used here. I am not at this time suggesting that we have either compulsory registration or compulsory voting. The method that I advocate is that where there are three or more candidates on the ballot the voter must mark his choice right down the line. In doing that he can give his last choice to the fellow he least desires to be elected. I think that would take care of the trouble we have at the present time. I should like to quote from the remarks of the hon. member for Vancouver-Burrard (Mr. MacDougall) before the committee, as reported on page 134 of the proceedings, as follows:

> Mr. Chairman, we have the experience of 18 to 20 years ago with respect to this present system as it applied in the case of the election of the city council in the city of Vancouver. One of the outstanding recollections I have is that before they finally arrived at the names of the candidates who were elected a period of six days had passed before the tabulation of the vote was completed. That was an obvious drawback, quite aside from the mental hazard. It seems to me that we would be getting away from the principles of democracy if we were to draft a section which would make it compulsory for an elector to vote for every man or woman whose name might appear on a ballot, particularly if such an individual might be a person for whom the voter would not want to vote.

Commenting on that statement I might say that the election in Vancouver which the hon. member referred to did not have the first thing to do with the argument I was presenting at that time. There were a number of candidates up for election on that occasion and several were to be elected whereas the system I am advocating would apply only to single-member constituencies. We have only two dual-member constituencies in Canada at the present time, Halifax and Queens. As far as the compulsory feature which he protests against is concerned, you are compelled to vote under our present method if you are going to have any say in the election. I do not think that marking your ballot in its entirety in order to keep out some undesirable candidate should be considered as a detrimental factor. The hon. member continued:

> Now, Mr. Chairman, it is quite conceivable that in many of the electoral districts throughout the dominion of Canada, if this suggestion advanced by Mr. Fair carries, there might be various constituencies where among the four, five or six candidates whose names might be on the ballot paper there might happen to be a communist and you would have to mark a ballot for him. Now, speaking personally, I do not want to do that. It seems to me that in that way we might write into our electoral law, in the way of compulsion, something which would force the elector to vote for somebody whom he does not intend, desire or want to vote for and in doing that we would be countermanding the great principle upon which our democracy is built.

I come back again to the case of the communist member elected in Toronto on 38½ per cent of the votes polled. If we had had the system which I advocate I am sure that in the legislature at Toronto there would not be a member of the communist party free to circulate the propaganda of that outfit. Then the hon. member for Vancouver-Burrard had this to say:

> Then again, as the chief electoral officer has pointed out, it is not applicable in dual member ridings. And now, if this principle was adopted in dual member ridings you would have to go on the basis of proportional representation, because this is only applicable to single member ridings; and if there ever was a headache in God's world it is this question of proportional representation and the counting of the vote. Without in any way being discourteous to my good friend, Mr. Fair, I would like to suggest that we do not adopt this system of the single transferable vote for the federal seats.

I do not think we would have very much difficulty with the headache mentioned by the hon. member for Vancouver-Burrard because in the section of the country where there are dual member ridings only the old line parties, the Liberals and the Conservatives, contest the elections. Therefore, so far as the arguments advanced by the hon. member are concerned, I do not feel there is anything valid in them. Then we come to another member from British Columbia who also spoke against the proposition. I refer to the hon. member for Kootenay West (Mr. Herridge). His statement can be found at page 137 of the proceedings of the special committee. He had this to say:

> Before you vote, Mr. Chairman, I would like to express my opinion. I appreciate Mr. Fair's presentation. I understand his argument for the alternative vote. But, speaking for the party I represent, I could not support that vote for these reasons: The purpose of the single alternative vote is to attempt to assure the election of candidates with an over-all majority of the number of electors supporting a candidate but, in order to be certain of that, it is obvious from the presentation by Mr. Fair and by the chief electoral officer, that there must be compulsion in so far as the voter is concerned in that he must mark his ballot for all the candidates whose names appear on that ballot, and the effect of that compulsion would be to force a man to vote for people for whom he does not wish to vote at all, and that in my opinion would be destroying the very objective of the change proposed in the voting system, because the voter would be required to vote for somebody whom he did not desire to vote for at all. A person would have to vote for some candidate or for something with whom or with which he did not agree. The second reason I would oppose the alternative vote

—and I am sure that Mr. Fair would agree with me on this—is that it should be in effect in all the provinces now.

I do not think I need to go any further because there is very little more that is pertinent. First of all I would point out that there is compulsion in the present system of marking the ballot if you are going to have people register their choice. Carrying it a little further, registering their ballot against somebody whom they do not wish to have in office does not make it any more compulsory than at the present time. I was rather amused to hear the hon. member for Kootenay West object to the word "compulsion" because if he will read the program of his party I think he will find compulsion right along the line so far as he and the program of his party are concerned. He copied the arguments advanced—

Mr. Knowles: Neither correct nor fair.

Mr. Fair: —by the hon. member for Vancouver-Burrard. To my mind these arguments are not valid. I believe they only go to show that there is no argument whatever against adopting a system of voting that will give us fair representation. The question of education of the people is a very minor matter. In Manitoba and Alberta they have got along very well with the system of marking ballots 1, 2, 3, 4 and so on, and I think the people of the other provinces would be just as quick as the people of Manitoba and Alberta to pick up that method of marking if they were only given the opportunity to do so.

This method is used in Australia, and only two or three per cent of the ballots are rejected. I believe that in Canada the percentage is possibly that high under the present system. We should aim to make progress in our system of voting and other things we do in Canada. This is one place where I believe we should make some advance. I realize it is not possible to get this matter through at the present session. I realize that people will have to have a little education and possibly give the matter some consideration, but I feel that if people all across Canada were given a true outline of the necessity for the change they would not hesitate for a moment to make themselves conversant with this method of marking ballots. I believe they would vote for something that is much more progressive and which is much more fair and democratic than our present system.

Mr. J. A. Ross (Souris): Mr. Speaker, this is not the first time that I have spoken on this matter. In fact I think I have taken the opportunity at some time in every session since I have been a member to urge an amendment to the elections act making provision for the use of the transferable vote. The hon. member for Battle River (Mr. Fair) has put on the record the results of the last three federal general elections. According to my figures, in the general election of 1949 some 121 members were elected by minority votes cast in their ridings. I have a short article here that appeared in the Winnipeg *Tribune* on August 24 of that year. It is a Canadian Press dispatch from Ottawa and reads:

A record total of 5,856,307 votes was cast in the June 27 general election compared with 5,246,130 in the 1945 election, it was disclosed Tuesday by Jules Castonguay, chief electoral officer. The Liberal party, returned to power with an overwhelming majority, received 2,926,029 votes in the last election compared with 2,170,625 in 1945. The Progressive Conservatives, second largest group in the commons, hold 1,742,235 compared with 1,455,453; the C.C.F., 790,321 against 822,661, and the Social Credit party 139,801 against 214,998.

These figures indicate that it required approximately 15,160 votes to elect a Liberal member in 1949 whereas it took approximately 42,540 votes to elect a Progressive Conservative. As has been pointed out, this situation might easily be reversed because in the recent Ontario election—and I have not seen a break-down yet—some 49 per cent of the votes cast elected 79 members to the Frost government out of a total of 90 seats. Before a candidate is declared elected I think it is very essential that he should have received a majority of the votes cast in the riding.

Those of us who have followed elections in the past know very well that there have been situations where a third and sometimes a fourth candidate has been brought into the field to split a certain vote. That has been recognized in several parts of the country, and it is only by an amendment providing for the transferable vote that you can overcome that system in an election. Where people can pretty well judge what the result will be I think it is very bad that a third or fourth candidate should be introduced simply to split the vote and change the representation of the riding. As I see it, that is not in the interests of democracy.

In the 1949 election just under 50 per cent of the vote resulted in the Liberal party obtaining 75 per cent of the seats. Thirty per cent of the vote resulted in the Progressive Conservatives obtaining 16 per cent of the seats. Thirteen per cent of the vote resulted in the C.C.F. winning 5 per cent of the seats, and 7 per cent of the vote gave the Social Credit party and others 4 per cent of the seats. That is a very unfair situation. At this late date I do not want to go into great detail. I want to repeat what the hon. member for Battle River said, namely, that

for a great many years this system has been in operation in the provinces of Alberta and Manitoba. I have read editorials in some eastern newspapers to the effect that it would make the determining of the result too complicated. I want to say that is far from the fact because if people will converse with those who have been in charge of the elections in Manitoba and Alberta they will find it is a simple matter to make these transfers and ascertain who has received a majority of the votes cast in a particular riding. I simply want to make this appeal once more. While it probably cannot be done at the present session, I ask the minister responsible and the members of the house to give serious consideration, before another general election is held, to amending the elections act in order to make provision for the transferable vote so that many things that have happened in the past will not be possible under what I think should be a democratic system of voting in this country.

Mr. E. D. Fulton (Kamloops): I rise at this time simply for the purpose of recording briefly my opposition to one feature of the bill. The point in which I am interested emerges very clearly from a reading of the order as it appears on today's order paper. It is No. 11 and reads as follows:

Resuming the adjourned debate on the motion of the Secretary of State for the second reading of Bill No. 41, an act to amend the Dominion Elections Act, 1938, and to change its title to the Canada Elections Act.

I have indicated on previous occasions my opposition to the process which we have now succeeded in bringing out into the open, the process of eliminating the word "Dominion" as a part of the official name or description of Canada. I wish now to record once more my opposition, my objection and my regret that this process should be continued. I am not going to make a speech at any length because there are a number of factors which indicate that one should not. However, I could not allow the bill to be given second reading without again recording my position.

I put my objection on two grounds. First there is the ground of sentiment—or tradition, if you like—and second, the ground of logic. I object to the stupidity and irritations which accompany and are made necessary by this unnecessary process of changing the name. On the second ground let me point out the position we have now arrived at as a result of this process. Apparently we have to sit down and solemnly change every section of this act. It will of course be necessary to make technical amendments to every section of every bill where the word "dominion" appears in order to carry out this process. And it has got to the point now where the logical conclusion of that process has carried us to the absurd position where we have to sit down solemnly and say, in the piece of legislative nonsense found in section 2 of the bill, that if the word "dominion" happens to appear in any place in connection with an election in the future it shall not invalidate the whole election. One only has to follow the proposition a little further to see the absurdity of the position in which this process gets us, because after all, if you are going to eliminate a word, you have to ban it. So I suppose at some future date we shall have to sit down, if this government is to be consistent—and if it is allowed to remain in office—to study another enactment in similar form which will result from carrying the process to the ultimate point. It would then be necessary to provide that if the word "Dominion" does appear in any way in connection with an election, then it shall invalidate the whole election.

So you see, Mr. Speaker, the absurd, illogical and rather humiliating position in which this process lands us. Because it is so illogical, because it is so unnecessary, and because I find it so objectionable, I am not able to allow this bill to pass without recording once more my objection to that process.

Mr. Stanley Knowles (Winnipeg North Centre): May I take just a minute, or two at the most, to say a word on the point raised by the hon. member for Battle River (Mr. Fair). I agree with those who contend that there should be improvements in our method of voting. It is certainly wrong that 49 per cent of the popular vote should result in some 72 per cent of the seats of this house being held by one party. I agree that something should be done about it. But I do want to enter this word of warning. In my view the single transferable vote would create as many problems as it would solve, if not more. I suggest that if we are going to go in for electoral reform, consideration will have to be given not to the single transferable vote but to a system of proportional representation, which is something quite different. After all, the aim of a democratic election is much broader than the position of any individual candidate. The aim of a democratic election is to get a parliament that is somehow representative of the political thinking of the people of the country. It is for that reason that I suggest if we are going to consider electoral reform, we should not adopt the single transferable vote which creates as many problems as it solves, but rather we should establish a system of proportional representation.

Mr. C. W. Hodgson (Victoria, Ont.): I should like to say a word on this subject. I do not believe anyone can accuse me of taking up too much of the time of the house. I am more or less in agreement with the statement made by the hon. member for Temiscouata (Mr. Pouliot). He spoke in French so I did not understand it all, and *Hansard* is not available this morning. From what I could learn about his speech—

Mr. Harris (Grey-Bruce): May I interrupt to say that I have given the hon. member for Temiscouata the assurance that when we reach that section of the bill we shall drop it.

Mr. Diefenbaker: We have set aside all the rules here.

Mr. Hodgson: The hon. member stated that he was more in favour of the old system of voting. The election officers at the polls throughout the Dominion of Canada are more familiar with that system. Any time a new system of voting is introduced I think it should be the subject of study not only in our high schools but in the senior grades of our public schools. No matter whether it is the single transferable vote or any other system, it should be taught in our schools. If the older people who are able to vote do not understand the system, then the children will bring home the information, and will familiarize the older people with it. I am glad to hear the minister state that that part of the bill will be dropped. I might say that I am always happy to listen to the hon. member for Temiscouata, but I have a greater appreciation of his remarks when he speaks in English rather than French.

I should like to say a word about the advanced polls. At this last election the province of Ontario tried out a system of more advance polls in the ridings. I believe it was quite unsatisfactory. It did not accomplish much. It seems to me that one advance poll to a riding, in a central place, would be the proper system, unless it is an extremely large riding in which case you might have two. But to have three, four or five advance polls in a riding, involving a great deal of expense, with nothing being derived from having them, does not seem to be worth while. In my riding at many of these advance polls there were only two or three ballots in the ballot box. Those advance polls cost the government a considerable amount of money, having regard to the fact that there was a returning officer and a poll clerk to be paid, and that the polling booth was rented for three days. For the number of votes cast in those advance polls, it was not worth the expense involved.

I think something should be done in the way of getting more people out to vote. In the last federal election 75 per cent of the voters went to the polls. In Russia, I believe, 99 per cent of the eligible voters went to the polls.

Mr. Graydon: They had better go.

Mr. Fulford: They are shot if they do not vote.

Mr. Hodgson: I should not like to see any such law that is in effect in Russia brought into effect in Canada; far from it. But I think something should be done by way of legislation so that people would exercise their franchise more than they have exercised it in the past.

I should like to pass on to the chief electoral officer the facts about these advance polls, because I have heard that at dominion elections there will be more advance polls than there have been in the past. If he will look up what happened in Ontario at the advance polls in the last election, it will give him some idea of the value of advance polls.

Another objection I have is in connection with changing the name and doing away with the old traditional name "Dominion of Canada". I do not care what act is passed here or what legislation is put on the statute books of Canada, it will always be the Dominion of Canada to me and to most of my constituents. I think that in my riding I could win an election on that issue alone; and I think the situation is the same in many other ridings in Canada.

Why there is a desire to change the name, I do not know. The name "Dominion of Canada" is probably only an old tradition, but it is dear to the hearts of many of the people of Canada. When Canada was first thought of, we had Upper Canada and Lower Canada. That was quite all right. But when we had confederation, it was called the Dominion of Canada. I have the dictionary here, and I was reading the meaning of the word "dominion". The dictionary says it means sovereignty, control; domains of feudal lord, territory of sovereign or government; name given to Canadian colonies after they were united in 1867; right of possession.

I do not know why anybody has any objection to "Dominion of Canada" as a name. In Canada we have two great races. Let us unite them rather than try to divide them. We have heard a great deal about this word "tolerance". I do not know in what dictionary to look, but, as I understand it, it is a big word with many meanings. After all, I think the time is now ripe for

the people of Canada to pull together, with no faction trying to pull us apart. To the government or those who are at the bottom of this move to change the name of the Dominion of Canada, by taking off the word "dominion", and those who bring in bills for a new flag or for a new national anthem, and all this silly nonsense that is not at all necessary, may I say that it will not help us a bit in Canada, commercially, religiously or politically but that it will have a tendency to draw our people apart. I say that it is a heap of nonsense and that it is ridiculous, coming from people who are elected and who are supposed to be leaders. We are supposed to be leaders in our own community. Yet here we are down here and, instead of leading our people together, we are trying to divide the country and to divide our people on various issues. It is a heap of nonsense, as far as I am concerned.

An hon. Member: Oh, oh.

Mr. Hodgson: Probably the hon. member's constituency is different from mine. I do not agree that it is any better because of being different from mine, because I represent the best riding in Canada, bar none. In my riding we have the greatest cross-section of people that there is any place in Canada. We have settlements of all the different races and that sort of thing, and they are becoming welded together over the years. For someone to say: Because there are a lot of Germans in my riding, or a lot of French or a lot of Dutch, I do not agree with you, and that sort of thing, is just some more nonsense. Everybody who comes to Canada comes because he wants to do so, because he likes this country and because he wants to make it his home. After these people come here the law should provide that they become Canadians, and I think that 90 per cent of them will become Canadians. I hope so, anyhow. But these people who are coming to our shores now will never become Canadians if we cannot agree among ourselves about the one little word "dominion" in the "Dominion of Canada".

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I had intended to make a few remarks when the bill had gone into committee, but in view of the speeches which have been made, I think perhaps this would be a better place to express my opinion. I believe that this change, doing away with the word "dominion" in the Dominion Elections Act, is unwise for two reasons. In the first place, that word has great value in enabling people to distinguish between dominion and provincial election law. In the province of British Columbia we had a provincial election within one week, I think it was, of the dominion election in 1949. In 1945 the elections were also held at dates which were quite close together. It is hard enough to keep the election activities separate without having all dominion election material showing just the word "election" rather than the two words "dominion election". From a practical point of view I think it is unwise to make this change. People understand the word "dominion" as meaning the difference between dominion and provincial with regard to elections; and if there is one act in which we should keep the word "dominion" it is this election measure.

My second objection is based on the ground that hundreds of thousands of people in this country—in fact, I believe millions of people —place great value on the word "dominion" and they resent this policy of the government of making that word almost out of order, as we would say in this house. To Canadians who feel as I do about the matter, the word "dominion" implies vastness. It means that we think of Canada as a great country, extending from sea to sea and from the boundary of the United States to the northern reaches. It is something of which we are proud. It makes us think of this country as one of the great nations of the world.

I admit that in other parts of Canada the word may not have that same meaning. To us it implies in no way whatsoever subservience to any other race, any other nation or to anyone at all. It implies no subjection and no inequality with them. Such an interpretation does not enter into our thinking. We are no less proud of the word "Canada". I remember the great pride with which I wore the word "Canada" on my shoulder straps overseas, and I am sure that the feeling was held by every Canadian in the Canadian corps in the first war. No doubt it was just the same with Canadians who served in the second world war. We threw our shoulders around a bit just because the word "Canada" was on those shoulder straps. But little did I think that 35 years from that time I would be sitting in a Canadian House of Commons and hearing the Prime Minister (Mr. St. Laurent) making statements which insinuated that anyone who wanted to use the word "dominion" was not a good Canadian. That was the effect of the statements made by the Prime Minister on that occasion in this house a few weeks ago when this question was up. I resent the Prime Minister of Canada, no matter what his party may be, taking that stand toward any Canadian who believes that the word "dominion" should be continued.

I am not alone in that resentment. I hold in my hand an editorial from the Vancouver *Sun*, dated November 15, 1951. By the way, the Vancouver *Sun* is one of the most ardent supporters of this government, yet I read from their editorial dealing with this question the following:

> For instance, Ottawa has quietly dropped the word "dominion" from Canada's title. It has been quietly dropping the word "royal" from the mails.
>
> What is Mr. St. Laurent trying to achieve? Where is he going to stop?
>
> These piddling manoeuvres seem aimed chiefly at the appeasement of sectional prejudice.

I warn the government—and I would be interested to hear the Minister of Citizenship and Immigration (Mr. Harris) justify the policy of dropping the word "dominion"—I warn the government that this policy is creating serious misgivings in the part of the country which I have the honour to represent. This policy is creating mistrust, and I believe it is tending toward disunity at a time when this nation could drive ahead to a destiny which no Canadian has ever even imagined in the years gone by. We have these tremendous resources just being developed, iron ore, oil, titanium and uranium. We have great material wealth, and all we need now is to go ahead and develop the country and become the greatest nation in the world.

I do suggest that it is most unwise for the government to be following a policy of this kind, which is just one of those things that make trouble between Canadians, trouble which could so easily be avoided. The government has delayed and hedged on a national flag for Canada, in spite of having a recommendation some years ago which was practically unanimous. It has hedged on a national anthem; hedged on these things, and yet is going ahead to wipe out this word "dominion". What on earth the ministers think they are going to achieve by a policy of this kind I do not know. They are doing it a little bit at a time. One bill this week, another bill next week and something else next year. Surely, that type of policy is much too petty for the Canadian people in the year 1951.

Mr. Rodney Adamson (York West): I want to make just one observation on this bill. In the recent Ontario election it was found that when the enumeration took place a great many people, particularly when there was somebody boarding in the house, were reluctant to give the names of the boarders. That was for the very obvious reason that they were frightened the information so given would be used and passed over to the Department of National Revenue for investigation purposes. This was quite prevalent. There should be a section in the act, as there is in the act dealing with the department of the dominion bureau of statistics—I suppose it is called the dominion bureau of statistics, although I suppose that will be changed fairly soon. There is a section in the legislation dealing with the dominion bureau of statistics which says that all information so given shall be given in confidence and that no use will be made of it by any other department of government.

One of the essential secrecies is the secrecy of the ballot. While naturally the names are published in the voters' lists, nevertheless I should like to have this point considered before the next federal—or whatever the election will be called, whether it will be called a dominion election or what—before the next federal election, and something put into the act to show that information given to the enumerators will be for the purposes of the elections act and for the purposes of the elections act alone. I mention this because today, particularly in ridings such as mine, a tremendous number of people are sharing accommodation. It is a very essential thing that that shall be continued because of the congestion and housing shortage. Because of that many people who would not normally do so have taken in others to help in what is still an emergency situation. They are reluctant to give the names or to admit that there are others sharing accommodation in their houses with them. For that reason, Mr. Speaker, I suggest that consideration be given to these points in the act.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to follow up what has been said by the hon. member for York West (Mr. Adamson). I know that at the time of the last federal election and also the provincial election, when people running boarding houses or rooming houses were asked by the enumerators as to who lived in those houses, invariably the answer was, "Mr. and Mrs. Jones". Then, when the inquiry was made if there was anybody else, the answer was no.

An attempt has been made to find out why this is done, and two reasons have been advanced. The first is that in the city these boarding house and rooming house operators are afraid that because they have boarders or roomers their property assessment may be raised. The second reason is their fear that perhaps the income tax collector might catch up with them.

In common with the hon. member for York West, I feel there should be some way of making these boarding and rooming house operators responsible for supplying the names of the people in their houses. Surely they should give those names. In the elections of

1940, 1945 and 1949 many people who had lived in boarding houses for twenty or thirty years were left off the lists. That is not right, because they are deprived of their vote. They say that when the enumerator called they were at their work, and that each year they have to check the voters' lists to see if their names appear. The names of these people are even left off the municipal lists, and for the same reason.

While I am on my feet may I make a vigorous protest against the substitution of the word "Canada" for the word "Dominion" in the Dominion Elections Act. In my view this is a slur against the people of Canada, against people who have thought of this country of ours as the Dominion of Canada since school days. Soon I fear there will be an effort to take the word "dominion" from our national holiday, the first of July. It has been tried already by this government, through its members and the cabinet. This is no less than chiselling on the people of Canada in regard to the use of the word "dominion".

The people are protesting. I have before me petitions from many organizations. Only a few days ago I received one signed by seventy-two members, and another one signed by fifty members of the Imperial Order, Daughters of the Empire. These people are protesting, and I do not blame them.

The Imperial Order, Daughters of the Empire is founded on British principles. Now, however, there is an attempt to chisel, and to take those principles away, in short to take away everything that is British. The word "dominion" is part of our tie-up with the crown. I protest against this change, and I say the name of the act should not be changed. Further, everything else that has been described as "dominion" should continue to be described in that way.

It is difficult for anyone to abbreviate the word "dominion", or the expression "Dominion of Canada". There is no such difficulty, however, in abbreviating the word "Canada" because, on more than one occasion in foreign countries I have seen "Canada" abbreviated to "Can.". I object to this, and I know there are thousands upon thousands of people in Canada who feel as I do—that "Dominion" should stay.

Mr. Gordon Graydon (Peel): Mr. Speaker, I was not privileged to serve on the committee which considered the provisions of this bill. However, on this motion for second reading I have some suggestions.

In connection with our elections law, I believe we should have the desire if at all possible to effect the greatest possible degree of uniformity in connection with the holding of elections, and the regulations applying thereto, both federally and provincially.

In the main session of the Ontario legislature, immediately preceding the last one, a change was made in the Ontario Elections Act, at which time the province attempted to combine the best features of the provincial law with the best features of the Dominion Elections Act. I believe all hon. members will agree that at the last provincial election the change proved beneficial.

I believe there may be some excellent provisions in some of the provincial election laws which could be incorporated in our dominion act. One of these is the elasticity now provided in the Ontario act in connection with advance polls. In that regard I believe the regulations under the dominion law are much too rigid. It must be realized that all people cannot be in the same place on election day, and it is my suggestion that our regulations should not be as rigid as they are. I can see no reason why in our Dominion Elections Act we should not have some provision in connection with advance polls which would be practical and along the lines of that now obtaining in Ontario. Many people in the province found it a great convenience and a matter of accommodation for their benefit when, at the time of the recent provincial election in Ontario, they were able to vote at advance polls, although they may not have been commercial travellers, trainmen or such others as would fall within the narrow classification set out in the Dominion Elections Act.

I suggest that even at this late stage the minister and the chief electoral officer, both of whom no doubt have given the matter considerable study, should consider expanding and liberalizing the federal regulations so as to include many people who normally are denied the use of the franchise because they move from place to place on election day.

Then, I am not at all satisfied with our polling hours. I have been trying to ascertain whether the new changes make any provision for a change in the polling hours, and I have failed to find any such change. I believe the hours we now specify for purposes of polling in Canada are unrealistic. They may work out all right in some places, but in my view polling from eight to six does not offer encouragement to people to go to the polling booths in large numbers. I have referred to the hours eight to six with some degree of uncertainty, owing to the fact that the polling hours in federal, provincial and municipal elections are all different.

In the county of Peel are hundreds of commuters—perhaps even more than that—and

it is not easy for those commuters, who work at some distance from their homes, to find time to vote, under the present voting hours. If you happen to live at Clarkson, Lorne Park or Port Credit on the Canadian National line you have no time to vote either before the train leaves or after it gets back. It is all very well to say that employers allow two or three hours off, but two or three hours off is no good if there is no train to take you to the polling booth. It is unrealistic and it seems to me it would help considerably if the evening limit were extended one hour. We should consider how these hours affect people who commute.

The conditions today are quite different from those which prevailed previously in connection with elections. I suppose if some kind of inventory were taken of the people who work some distance from where they live we would find that the whole complexion has changed. I know in Malton which is in my constituency there are people who come to work at the A. V. Roe company from as far away as sixty-five and seventy miles. The same thing happens over and over again in other communities. This is due to the changes in industrial locations and housing conditions.

Before this bill finally passes I think we should give consideration to people who live some distance from where they work and revise the hours of voting accordingly. I have tried to be constructive in my suggestions. The advance poll system which worked out so well in the provincial election should be incorporated into the federal structure.

There is another matter I should like to mention and to which no doubt the minister has given consideration. It is confusing to find that there is an entirely different set of regulations governing voting in federal, provincial and municipal elections. The less complicated we can make our election machinery, the easier it will be for people to understand how to record their opinions from time to time. Not long ago in this debate an hon. member suggested that something should be done in the schools. I agree with that, but the only thing is that if you teach children how to vote federally, how to vote provincially and then how to vote municipally they are going to be just as confused as the electors. We should try to reach some form of unanimity if it is at all possible.

It may be that that is not possible. Ontario has gone a long way toward reaching unanimity with the federal government in connection with the recording of the franchise in that province. I rose to say these things because of what I have encountered personally. They are not theoretical views; they are views which I think should be considered before this bill is passed.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I have been wondering whether I should say anything in this debate, but I think I had better because everyone else seems to have something to say. I want to support what the hon. member for Kootenay West (Mr. Herridge) said last night with regard to the disqualification of certain people in federal elections because they are disqualified in provincial elections. In past years a fairly large number of voters in British Columbia were disqualified in this way for reason of race. Fortunately that discrimination has been eliminated from the Dominion Elections Act. At this time I want to thank the Minister of Citizenship and Immigration (Mr. Harris) for the help he gave me a few years ago in clearing up that situation.

When this discrimination was in effect it was thought that all kinds of evil things would occur if the vote were granted to those of our citizens of oriental origin. But it has been done and so far nothing catastrophic has happened. Everyone agrees that Canada is growing by leaps and bounds. As a matter of fact, I think most people feel that it was a shame that that discrimination was allowed to exist for so long.

Then a word with regard to the Doukhobors. These people are lumped together under that name whereas they should be divided into two categories. There is a small group known as the Sons of Freedom who do not want to be assimilated into Canadian society; they want to remain as a group apart. I am all in favour of refusing the privileges of Canadian citizenship to those who are not ready to assume the responsibilities that go with that citizenship.

However, I think the great majority of Doukhobors in British Columbia wish to become good Canadians and they should be given every opportunity to do so. One essential opportunity is the right to choose, along with other people, the men and women who make the laws of this country. I hope that in this case the minister will be as helpful as he was before in regard to orientals, and will have as clear an understanding of the issues involved.

I should like to refer briefly to another point which has been brought up by several speakers, that is, changing the name of the act from Dominion Elections Act to Canada Elections Act. I hope I am a good Canadian. I try to be. I flatter myself on occasions that I need not try, that it comes natural for me

to be a good citizen. I cannot see that anything is going to happen because we change the title of this act from Dominion Elections Act to Canada Elections Act.

The other day my good friend, the hon. member for Greenwood (Mr. Macdonnell), brought to my attention a letter that was reprinted in the Ottawa *Journal* from the Toronto *Globe and Mail* which had been written by another good friend of mine, Eugene Forsey, protesting against this change. Mr. Forsey has been a friend of mine for many years, I respect his opinions and I appreciate his friendship. However, on this occasion I think my opinion is just as good as his. I disagree with him, but I am quite sure that that will not make any difference in our friendship. We will both be just as good Canadians as we were before the change was made from Dominion Elections Act to Canada Elections Act.

I had occasion to say something on this matter a few evenings ago and what I did say was said on the spur of the moment. I thought I should be sure of my ground and I had a look at the British North America Act. I find that the word "dominion" is mentioned three times, I believe, and so far as I can ascertain it is confined to the first and second pages of the act. From then on every reference to this country is to "Canada". It says in the preamble, I believe, that there shall be one dominion under the name of Canada. From then on every reference is to "Canada" and not "Dominion of Canada".

For example, section 17 reads:

> There shall be one parliament for Canada, consisting of the Queen, an upper house styled the Senate, and the House of Commons.

We have dropped the Queen, and other words become obsolete for various reasons as time goes on. What I should like to point out, however, is that when the bill is passed it will be grouped with all other acts of parliament and put into a book which we call the Statutes of Canada, not "Dominion statutes" but "Statutes of Canada". Is there any reason why we should not call it the Canada Elections Act and have it in harmony with the other statutes?

Someone mentioned the question of Canada abroad. I think we are coming close to the time when as much of the work of our cabinet ministers will be in the international field as in the national field. A week or two ago I counted the number of cabinet ministers who were absent attending international conferences of one kind or another, and I found there were five or six. That is the case all the year round. At every one of these conferences Canada is known not by the name "Dominion of Canada" or "dominion" but by the name "Canada". The sign on the tables where our delegates sit has the word "Canada" on it. Surely there is nothing derogatory in the term. We are not adding to or taking anything away from this or any other act by changing the name. A few years from now we will be wondering why we spent so much time talking about it.

Mr. Brooks: I should like to ask the hon. member if Australia is dropping the name "Commonwealth of Australia" and is South Africa dropping the name "Union of South Africa"? They are also known as South Africa and Australia.

Mr. MacInnis: I do not know whether or not they are, but I know that in referring to Australia we speak of Australia, and when they refer to us I imagine they refer to us as Canada. Words of this kind become a fetish. We are afraid to drop them because they are like strings. When we grow up we drop our connection with the family. Surely that comes about naturally, and I believe the process has taken place naturally here. It is not forced. If I thought anyone was doing what we are doing for some ulterior purpose I would oppose it to the very limit, but I do not think that is the case, and I think there is no harm in it.

Mr. Brooks: You should read the editorials in certain newspapers.

Mr. MacInnis: Who are the editors anyway, and what do they know? They talk about different things and often do not know much about them.

Mr. L. E. Cardiff (Huron North): I should like to say a few words on this matter. The hon. member who has just taken his seat is agreeable to change the name "dominion". I noticed that during the speech he made he several times used the phrase "Dominion Elections Act" when he meant "Canada Elections Act".

Mr. MacInnis: No, no.

Mr. Cardiff: Oh, yes.

Mr. MacInnis: The change has not been made yet, and I was referring to the act as it is, not to the act as it is going to be, because the change may not be made.

Mr. Cardiff: When the hon. member reads his speech tomorrow he will find out that he used that phrase because it has become so familiar to him. I do not think there is any need whatever to change the name "Dominion". I am one of those who believe that Churchill is perhaps the greatest man this world has known. More than that, I think he is responsible for the fact that we have a Canada at all in this day and age.

Had it not been for Churchill's bluff for at least one year, Hitler would have taken Canada. There is no question about that. If you take the word "Dominion" away from Canada you weaken the name because you have taken half of it away. I am one of those who object strongly to the removal of the name "Dominion of Canada".

I believe there are many changes that could be made in the elections act. As a matter of fact, there are certain things for which a candidate can pay and things for which he cannot pay. We all know that these things are paid for, perhaps by someone else with the candidate's money or perhaps with someone else's money. It is not legal for the candidate to pay for these things, but the fact remains that somebody pays for them. I am one of those who believe in honesty. We now have an election act which states that the candidate cannot do this and cannot do that, but those things are done. The act could be changed so that we would have a better act, and we would at least have clearer consciences.

I only rose for these few minutes to put on the record my objection to the elimination of the word "dominion". I agree with those who have spoken before me, with the exception of the hon. member for Vancouver East (Mr. MacInnis). The fact that he used the name "dominion" two or three times in his speech proves that he has become so accustomed to using it that I believe even after the name is changed he will be using that name more than the other.

Mr. Hees: It is one o'clock, so may I move the adjournment of the debate?

Mr. Green: May I ask the Minister of Public Works (Mr. Fournier) whether he can give us the order of business for the remainder of the day? Last night he only mentioned the first three bills, and we would like to know what the order is to be after those three are called.

Mr. Fournier (Hull): I should like to know it myself. I believe we will be on the elections act for quite a while.

At one o'clock the house took recess.

The house resumed at two o'clock.

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to agree completely with what the hon. member for Peel (Mr. Graydon) said this morning concerning the desirability of extending the hours of voting by having the polls close at 7 o'clock in the evening instead of at 6 o'clock. From practical observation I believe that 50 per cent of the vote is cast in the last two hours. If the polls close at 6 o'clock, many people who live in urban centres, and who work at a considerable distance from their homes, simply cannot or do not get home in time to vote. If the closing time were extended to 7 p.m., the vote cast would be increased by at least 10 per cent.

We all believe that the successful functioning of a democracy depends upon a large number of people exercising their franchise. What the hon. member for Peel suggested this morning was a simple way of making it possible for considerably more people to cast their vote in an election than are able to do so now. This practice of voting until 7 p.m. has been successfully followed in several of the provinces, and I want to recommend to the government that they give serious consideration to extending this practice to our dominion elections.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. McLure: I have something to say about this bill. I should like to comment on the first section, which possibly contains the main reason we have this bill before us. It is proposed to change the title from the Dominion Elections Act, 1938, to the Canada Elections Act. I believe it is unfortunate that at the present time there seems to be so much dislike, you might almost say hatred, abroad in this government for the name "Dominion". It is hard for us to understand the reason why this feeling exists. It is unfortunate that now, when we should have the greatest unity in our country, there should be this policy against the name of "dominion" which causes bitter feelings between people who might otherwise live in harmony and unity. The move started some time ago when such words as "royal" seemed to have engendered a certain amount of hatred.

We are now dealing with a change in this elections act. There are other changes in the bill, but they will be dealt with later. I was pleased to have a clipping in which that great Prime Minister of England, Churchill, during the course of an introduction of Princess Elizabeth to her distinguished Guild audience, referred to our country as "that great dominion". Surely, a man of that calibre must not have been aware of the fact that we in this country have got ourselves into a frenzied state against the use of the name "dominion" or he would not have referred to the country as "that great dominion". Many articles have been written about this matter but I am not going

to prolong the debate by reading a lot of them. Here is one from a newspaper that calls itself independent, though I would say it was more or less a Liberal newspaper. The article reads:

> The most high-handed act of grand larceny perpetrated in this country in the life of this generation was the sneak-thief style of filibustering perpetrated to deprive this great dominion of its complete name. Indignation is seething and the people may yet have something to say about it.

I think we should have something to say about it. I think the government should realize that they have gone far enough, and leave us with the name the Dominion Elections Act, 1938. If they want to change it to 1951, that is all right, but let us have unity amongst us. This is an old name and a glorious name. It stands for a glorious country, so why not keep it? The Dominion of Canada is good enough for me.

(Translation):

Mr. Courtemanche: I do not want to prolong the debate unduly but I do wish to congratulate the committee on having replaced the word "dominion" by the word "Canada."

I have the greatest respect for the empire but it is time to do away with those colonial links, which speak for our weakness and dependency. It is not as colonials but as Canadians that we have made almost superhuman sacrifices and efforts. It is time to understand, once and for all, that it is our duty to administer public affairs in the interests of Canada and not those of the empire.

(Text):

Mr. Balcer: Mr. Chairman, Canada is a great country. Canada is now recognized internationally as a great power. The role we had during the war of 1914-18 and the major role we took during the last war have been recognized and appreciated throughout the western world. I am pleased to note that Canada has assumed this status, and is recognized as an independent member of the commonwealth which is one of the greatest associations of nations that our civilization has known. Unfortunately for me, since I am a Conservative, I have to congratulate the government upon its action in eliminating the word "dominion." I hope it is the last time I have to congratulate the government. I have been here for two years, and I think it is the first time I have had that opportunity. To come back to this word "dominion"—

An hon. Member: Move over to this side.

Mr. Balcer: Do not worry about that. In Webster's New International Dictionary under the definition of the word "dominion", I read these words:

> Dominion: That which is subject to sovereignty or control . . . territory governed, or over which authority is exercised.

In another dictionary, Funk and Wagnalls, I find this definition:

> Obedience, servitude, slavery, subjection, subjugation, submission.

I think that everyone in this chamber will admit those definitions do not apply to our great country. I know that every member of the committee is too much of a Canadian to admit that such definitions or such adjectives should be applied to our great country.

I am also proud of the fact that the Conservative party at the time of confederation was in favour of adopting the status of kingdom for this country. I want to mention this fact. According to Dr. Maurice Ollivier in his book "Problems of Canadian Sovereignty":

> Sir John A. Macdonald and Sir Georges Etienne Cartier were of the opinion:
> 1. That the name of the federation be that of Kingdom of Canada.
> 2. That the federation should have the rank of a kingdom.
> 3. That the new arrangement should terminate the rule of Secretary of State for the colonies.
> 4. That the executive head should be the King himself or his representative.
> 5. That the authority of the Imperial Parliament should be only a fiction.

Another great Conservative in another country, another member of the commonwealth, namely the Marquis of Salisbury in Great Britain, when Prime Minister Attlee in 1947 brought into the House of Commons a bill to change the name of Secretary of State for Dominion Affairs to the name of Secretary of State for Commonwealth Relations, welcomed the change with the comment that the title of "Dominion's Office" has always been open to objection, and I quote:

> . . . in that it might be interpreted as implying that the governments of the commonwealth are dominions of Great Britain and to that extent of inferior status to her.

I have been here just long enough to appreciate the fact that all the members of this chamber are really proud of the commonwealth of nations as it is. I think the British commonwealth is an association of free countries which work hand in hand to promote the great principles of civilization, with not one single member inferior to the other and not a single one superior to the other.

I am pleased, Mr. Chairman, that the government and the committee have decided to

change the name of this act to make it more in accordance with the spirit of the fathers of confederation and to make it in accordance with the British North America Act. In the British North America Act, in section 3 it is stated:

. . . the Provinces of Canada, of Nova Scotia, and New Brunswick shall form and be One Dominion under the name of Canada.

In section 4 of the same act it is stated:

. . . unless it is otherwise expressed or implied, the Name Canada shall be taken to mean Canada as constituted under this act.

I have looked into the act and I have counted 156 references to the word "Canada" but never once have I come across the words "Dominion of Canada." By changing the name of the Dominion Elections Act to Canada Elections Act I think this country is showing something that is fairly well admitted all across this country, namely that we are now a free and independent member of an association of nations, that we are a great country and that we are respected throughout the world as a great, independent country. I am sure that this move will be welcomed, and I hope it will be welcomed as a move that was first brought by great Conservatives like Sir John A. Macdonald and Sir Georges Etienne Cartier.

Mr. Rinfret: Mr. Chairman, I just want to say a word on this question. I wish to congratulate the two last speakers on the stand they have taken. If they are in accord with our general policy they should probably come across the floor of the chamber and stand with the Liberals, because that is the policy of the government as enunciated by the Prime Minister some time ago. After all, if four or five Tory supporters dissociated themselves from the Tory party—

Mr. Balcer: Mr. Chairman, on a question of privilege may I say that I think the minister is putting words into my mouth and attributing to me intentions that are absolutely not mine. I think that every member in this committee has the right to freedom of speech. If for once I happen to be of the same opinion as the government on one single detail, it does not mean that I do not belong to a party which is strong enough and powerful enough to win the next election.

Some hon. Members: Oh, oh.

Mr. Balcer: I hope that the minister will not attribute to me any such intention.

Mr. Rinfret: I will change my words and I will say that this is indicative of the Tory platform of one policy in Quebec and another policy in the rest of Canada.

[Mr. Balcer.]

Mr. Brooks: The minister would make a great judge.

Mr. Rinfret: That is exactly what I am doing now. I am trying to judge your actions.

Mr. Brooks: You would be no better on the bench than you are here.

Mr. Rinfret: The hon. member for Victoria (Ont.) this morning referred to various questions of the flag and the anthem as being silly nonsense. I am of the opinion that anything that brings together Canadians of various nationalities and various origins is not silly nonsense at all but is something that we must aim at. The sooner we can agree on the things we have in common the better it will be for the whole of Canada. When words are used in this house describing as silly nonsense the things that are sacred to other parts of the country I think they do a great deal of harm to our country.

This morning the hon. member for Vancouver-Quadra referred to the word "dominion" as being necessary, particularly in the elections act, because of the fact that there has to be a differentiation between the federal government and the provincial governments.

Mr. Green: Elections.

Mr. Rinfret: He referred to the fact that in British Columbia in one week's interval there was a provincial election and a dominion election, and that there was some confusion about the title of the two acts. The differentiation or the distribution of power is governed by the British North America Act, and particularly by sections 91 and 92. Section 91 refers to the various things that the federal government can do, and section 92 refers to what the legislatures can do. It is very noticeable that in section 91 there is no reference to the word "dominion". Section 91 reads:

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; . . . the exclusive legislative authority of the parliament of Canada . . .

Therefore on one side we have the powers of the government of Canada and on the other, under section 92, the powers of the legislatures of the provinces. If therefore we call our elections act "Canada Elections Act" we are following explicitly the wording of section 91.

This morning the hon. member for Vancouver-Quadra said that 35 years ago he was very proud to have a uniform bearing on its shoulders one word and that he was always keeping his chest up because he was

proud of that one word. Mr. Chairman, what was that word written on his shoulder in the first war and in the second war? It was not "Dominion of Canada", but the one word "Canada".

The hon. member for Queens referred to that one word as being a glorious one. I think it is a glorious one and should be borne by every Canadian on his shoulder, and he should put his chest out for that one word.

Mr. McLure: I was referring to the word "dominion". I am very glad that the minister has the same views on the word "dominion".

Mr. Rinfret: I am sorry that I cannot have the same views as to the word "dominion".

Mr. McLure: You said before you had.

Mr. Rinfret: The reason I rose was that reference was made this morning to the fact that the word "royal" had been taken out of royal mail. An editorial was cited this morning, referring to what happened in the dying days of the last session whereby the Postmaster General is supposed to have taken away from the title the word "royal". I tried to explain then and I will try to explain again that the words "royal mail" have never been in the Canada postal act. In 1867—

Mr. Knowles: I rise to a point of order. Is a discussion on royal mail or the Post Office Act relevant to the matter now before the committee?

Mr. McLure: He was out of order long ago.

Mr. Rinfret: This morning reference was made to the same question, and I think I have a right to answer that reference.

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

The Chairman: Reference was made to it this morning, and I ask the minister to reply briefly.

Mr. Casselman: Easily led.

Mr. Rinfret: I will just say, Mr. Chairman, that never at any time in any postal act was there the word "royal". In 1867, in 1927 and again in 1951 the word "royal" never appeared in any postal act. The words "royal mail" refer to the mail of Great Britain. A prime minister of Great Britain referred to royal mail as distinct from Canada mail, Australia mail, New Zealand mail, and I hope this is the last we hear about it, Mr. Chairman.

Mr. Arsenault: I rise just for a few minutes to congratulate my friends the hon. member for Labelle and the hon. member for Three Rivers on their courageous stand in this house, and to say a few words to my ex-Conservative friends in this house—perhaps three things. Firstly, I think—

Mr. Knowles: You are the ex-Conservative.

Mr. Arsenault: An ex-Conservative became a good Liberal. Firstly, Canada, in the British North America Act, was never mentioned by the name "Dominion of Canada". The name was "one dominion under the name of Canada". That fact was established by many in this house, by the Prime Minister, by the hon. member for Winnipeg North Centre and others, that Canada is one dominion under the name "Canada." I wish we could put that into the minds of hon. members once and for all.

Secondly, Canada as a dominion ceased to be a dominion the day in 1931 that the Statute of Westminster provided that all the nations of the commonwealth are:

> Autonomous communities within the British empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown and freely associated as members of the British commonwealth of nations.

Therefore, if Canada is a dominion, then the United Kingdom is a dominion and the United States is a dominion. On the one hand, previous to the Statute of Westminster —I wish my hon. friends of the Conservative party would take a few notes at this time— previous to the Statute of Westminster, no legislature in Canada could pass any law repugnant to the law of the United Kingdom. Under the statute, no law enacted in the future by Canada or any of its provinces shall be void on the ground that it is repugnant to the law of the United Kingdom.

On the other hand, the legislature of the United Kingdom cannot, under the Statute of Westminster, pass any act extending to Canada as part of the Canadian law unless it is expressly declared in the act that the Canadian parliament has requested and consented to the enactment.

Another provision of the Statute of Westminster states that neither Canada, nor any province thereof, shall in future be described as a colony or something that means colony in any act of the parliament of the United Kingdom.

When the expression "Dominion of Canada" is used abroad in the United Kingdom what does it mean? It means to indicate the idea of subordination of these dominions to the United Kingdom. That is what it means, although it might be that the expression is used carelessly and merely because it has been common to use it since those days when it was proper; that is, when the word "dominion" is used in our own country it indicates the acceptance of constitutional subordination, unless the excuse is careless speech. The word "dominion" as applied to Canada, or in

any act of the Canadian parliament, has now lost its original meaning in practice—I say this with all respect to my colleagues of the Conservative party—as the supremacy of the United Kingdom is now denied in Canadian affairs, both domestic and external, since Canada has now become a sovereign state and enjoys full international status on the basis of an equal nation within the commonwealth under the provisions of the Statute of Westminster dated December 1931.

The use of the word "dominion" as applied to Canada gives a false impression as to the present constitutional position of our country, as it denies recognition of the autonomous status of Canada and implies the idea of subordination to another country. It is further misleading as it suggests to the popular mind in our country and to the populations of other countries of the world that Canada has a status which is less than sovereign. Therefore, the word "dominion" should be eliminated from our vocabulary.

I should like to quote briefly from *Time* magazine of May 10, 1948, in order to prove the statement I have just made. It will be remembered that I introduced a bill to strike out the word "dominion" from all acts and regulations, and this is what this publication had to say:

> C.C.F.'ers and many a Liberal cheered. From the Tories came a chorus of "No! No!" Arsenault's private bill had little chance of passage. Snapped the Ottawa *Journal*: ". . . A very silly notion. Words or the lack of them do not make our independence." But many loyal pro-empire Canadians agreed with Arsenault's purpose, if not his motive: they were tired of explaining to Americans that "dominion" does not imply "domination."

Mr. Fulton: I would not re-enter this debate had it not been for some of the things which have been said, deliberately or otherwise, and I hope otherwise, to misrepresent the attitude of those who attach importance to the retention of the word "dominion". I think it is important to set forth clearly our attitude in this regard. I would without hesitation enter a plea, particularly to hon. members opposite and to those who report in the press what we say here, to understand and report accurately and exactly what we say and mean and what we have at the back of our minds in respect to this controversy.

I want to take up immediately what the hon. member for Bonaventure has just said as to the implication of the word "dominion". I would be very surprised if he does not know that it is a fact that the word "dominion", in the minds of those of us who say that it is important to keep it, has no connotation whatsoever of subordination or subjection to another country. I think the hon. member knows that as a fact. If he does not know it, I tell him now that it is a fact.

[Mr. Arsenault.]

I want to read to the hon. member and to the committee some of the definitions to be found of the word "dominion". I think it is a pity that my good friend, the hon. member for Three Rivers, did not look at some of these other definitions when he was referring to one particular definition. I looked up the word in several dictionaries in the library. Funk and Wagnalls New Standard Dictionary of the English language gives a number of definitions. This is a United States dictionary and therefore we can expect the definitions to be impartial. In the 1949 edition they give these definitions of the word "dominion":

> 1. Sovereign or supreme authority; the power of ruling or governing; domination.

Mr. Arsenault: Being governed.

Mr. Fulton: Well, we have a government in Canada. Does the hon. member for Bonaventure say that we have no government in Canada? I could expect him to be ashamed of the government we have but I would not have expected him to admit it.

Mr. Arsenault: It is not a colonial government.

Mr. Fulton: Of course it is not a colonial government and we know that fact just as well as the hon. member. If the hon. member will just listen and try to rid his mind of the prejudices which are obviously there and which he is trying to implant in other minds he will perhaps appreciate even though he does not agree with what we have in mind and what we are trying to get at.

Mr. Arsenault: Give us the French translation of the word "dominion".

Mr. Fulton: The second and third definitions given are as follows:

> 2. Law; the right of absolute possession and use.
> 3. A country under a particular government.

And it gives as an example:

> The Dominion of Canada since the union in July, 1867; the dominion of New Zealand since September 26, 1907.

Then the dictionary goes on to give a number of synonyms, and among other words mentions: "sovereignty", and "supremacy". Then it gives the antonyms or opposites, and I ask the hon. member to note these particularly. The opposites given are: "servitude", "subjection", "subjugation" and "submission".

Can anyone say in the light of those definitions that the word means anything but sovereignty and supremacy? That is what it means. Is that not then a suitable name for

our country? Funk and Wagnalls' dictionary then goes on to make reference to Dominion day, July 1, as being:

the anniversary of the formation of the Dominion of Canada: a Canadian holiday.

Then we find that this word was the subject of careful consideration at the imperial conference of 1926. That conference defined "the dominions" as—

Mr. Arsenault: We were a dominion then.

Mr. Fulton: I ask the hon. member to listen to this to see if he can find anything objectionable in this as a description of the position of Canada:

"The dominions" were defined as autonomous countries within the British empire, equal in status, in no way subordinate one to another in any aspect of their domestic or foreign affairs, though united by a common allegiance to the crown; and freely associated as members of the British commonwealth of nations.

Can hon. members opposite find anything objectionable in that description?

Mr. Arsenault: Is the United Kingdom a dominion?

Mr. Fulton: Certainly, the United Kingdom is a dominion of His Majesty. That can be proved conclusively—if we discuss this thing impartially and intelligently instead of with prejudice—it can be proved by simple reference, among other things, to the form of the third prayer used daily in the House of Commons of Canada, which opens:

Most Gracious God, we humbly beseech Thee, as for Great Britain, Ireland, and His Majesty's other dominions, so especially for Canada—

The French version reads:

Dieu plein de grâces, nous vous implorons humblement en faveur de la Grande-Bretagne, de l'Irlande et des autres possessions de Sa Majesté.

It seems to me that it is demonstrated conclusively that in both languages, in the prayers we use daily in the House of Commons, the simple meaning of the word "dominion" is, a dominion of His Majesty. We refer to "Great Britain and His Majesty's other dominions", showing that we clearly understand the United Kingdom to be, in that regard, in the same position as Canada, a dominion of His Majesty.

It is in that sense that the use of the word "dominion" becomes dear to us, and full of meaning. Because we see in it not in any sense a connotation of being subject or inferior to the United Kingdom, but simply a recognition of the fact that Canada, together with the other self-governing nations of the commonwealth, is a dominion of His Majesty, and therefore we see it as a symbol of the common allegiance we all owe to the crown.

I cannot for the life of me see how even my good friends opposite, who have carried on this sort of discussion in the past with heat and prejudice, could find anything objectionable in that use and interpretation of the word "dominion", which is borne out by the authorities, by the prayers we use in the House of Commons, by a dictionary definition in an American dictionary—and by the facts.

In so far as this particular bill is concerned, we can see the matter in its true light when we compare the old title in the French version of the bill with that in the English version. We say that there is no need to eliminate the word "dominion", because it does not in any sense mean inferiority or subjection to another country. As used so frequently in titles of bills, it serves no other purpose than a connotation first of continuing allegiance to the crown which unites us, and second as a convenient method of distinguishing dominion, or federal, from provincial matters. In this instance we can see clearly that it has no other implications; and I cannot see why my hon. friends opposite should insist that it is desirable to eliminate the word "dominion" from the English version, because if hon. members will look at the French version—the version in the other official language of the house—they will see that section 1, which we are now discussing, and which gives the present title of the act, reads as follows:

L'article premier de la loi des élections fédérales,...

That is the French name of the bill.

Loi des élections fédérales

So that in this case the English word is translated by the word "fédérales"? Do my hon. friends find anything obnoxious in the word "fédérales"? Is not Canada a confederation? Why do my hon. friends insist so vehemently that the word "Dominion" should be eliminated from the act? In their own version it has nothing more than the connotation of federal as opposed to provincial. Why do they not accept our assurance that, to us, it means nothing more than first, a recognition of that allegiance to the crown which unites us, and which we all owe, and that when used in this connotation or in this type of legislation it has, in addition to that, only the meaning and connotation of "federal" as distinguished from "provincial"? It has no other meaning.

I have sent for some authorities in the library, but they have not arrived yet. Therefore I shall have to speak subject to correction. But I believe if one looks at the letters of Queen Victoria—

An hon. Member: Here they come.

Mr. Hodgson: If you read them you would know more about them.

Mr. Knowles: Merry Christmas.

Mr. Fulton: I will not take up the time of the committee now to locate the exact reference because, as I have said, I have not had the time to check these authorities. Therefore I am speaking subject to correction, but I believe that if you consult "The Letters of Queen Victoria", second series, volume I, at or about page 394, you will find reference to a statement by Lord Carnarvon, that at the time the delegates from Canada were visiting the United Kingdom in connection with the formation of confederation they made it clear that the desire for the use of the word "dominion" was the unanimous expression of the desire of all the delegates from British North America. And their reason for desiring it was that they gave the same meaning to the word as we do, and as it is given in the form of the words used in the prayers of the House of Commons.

I would also like my hon. friends—and I say this without any heat, because I think we should review the matter impartially and dispassionately—I would ask my hon. friends, including the Prime Minister who, when he last spoke on the subject, sought to create the impression that those who want to keep the word "dominion" are in some sense desirous of going back to colonial implications and a colonial status—I ask my hon. friends who create that false impression, and who say that that connotation is attached to the word "dominion", just to be logical about this matter. I ask them to realize that it would be as logical for them to complain of the use of the word "Canada" as having colonial implications as it is for them to complain of the use of the word "dominion" as having colonial implications.

That implication and complaint I reject absolutely, in both cases. But I do point out that, if we are to consider this matter impartially and fairly, it must be kept in mind that "Canada" was the name of two of the provinces of this country when they actually were colonies, and were not self-governing, and that the word "dominion" did not come into use in connection with this country, as part of our name, until we had graduated from that colonial status, through the British North America Act of 1867, into the status of a self-governing nation, which was then called "the Dominion of Canada."

So if we are going to be logical about this matter we would have to admit that there is more reason, in logic, to attach a colonial implication to the word "Canada" than there is to attach a colonial implication to the word "dominion". But there is no reason, in fact, sentiment or logic, to attach a colonial implication to either word.

Therefore I say that the two words should be carried forward together as descriptive of our status, of the grandeur of our land, of our affection for His Majesty and as expressing our loyalty to the crown which unites us, and will in the future as it has in the past, as one "Dominion of Canada."

Mr. Arsenault: Mr. Chairman, the hon. member for Kamloops has shown us—

The Chairman: Order. The hon. member for Greenwood has the floor.

Mr. Macdonnell (Greenwood): Mr. Chairman, I wish to say only a word. I am not going to deal further with the definition of the word "dominion" which I think has been dealt with adequately already. But I do wish to deal briefly with one point. I do wish to make this point clear, that there is not a single person in this party that anyone in this house can honestly suggest has one iota of the feeling of subservience to any country outside our own—not a shred of it.

My purpose is to show that, so far as our party is concerned, the whole history of the party makes it clear beyond peradventure, not to be guessed at, but to be taken by the action of those who are leaders of the party.

The hon. member for Three Rivers has already spoken of 1867, and the leaders of those days, Macdonald and Cartier. I come to the next great step, the greatest step in the establishment of our independence and our position as a sovereign state which I think any fair-minded man will agree took place in 1918 and 1919 when Sir Robert Borden—and it was not an easy task—insisted that we sign the treaty of Versailles in our own right.

I admit that until then there was a good deal of the feeling of colonialism toward us in Great Britain—and for all I know there may have been some here. But the first step was when Sir Robert Borden was placed in a position where he was able to say, "We sign this treaty on our own, as a sovereign state". That is what was done. No one can suggest that any other attitude has ever existed so far as this party is concerned. Let us take the next step. The next important step, and certainly very important, was when Mr. Meighen was prime minister and went to London where he resisted the attitude of the British government in the imperial conference of 1921. He was responsible for something that no doubt was of great

importance. He was responsible for the non-renewal of the Anglo-Japanese agreement. Does that sound like subservience to the United Kingdom? Nothing of the sort. He took his position as the representative of a sovereign state.

It may be said—and I will come to it—that there were still some technical legalities which had to be cleared up and they were cleared up later. I will come to that in a minute. Borden and Meighen took that stand, and later on there was the Statute of Westminster. I do not take one iota of credit from the people who carried that through, Mr. King and the others; of course not. But that was in the main a tidying-up operation, a continuation of what had already been done. We need not dispute about that. Let us agree that both took part in it. I am not anxious to derogate from what Mr. King did.

Let me give you one other thing. How did our party win the election of 1930? It was on the cry, "Canada first". Some people may have forgotten that. I suppose it had been thought before that that perhaps Mr. Bennett was something of an imperialist and that he was going to defer to the United Kingdom and put us in a subordinate position. Does anyone suggest that Mr. Bennett put us in a subordinate position in 1932? Hon. members will recall perfectly well what happened then. If there was any subordination it was not on the part of Canada. It was the other people who were here. Those are the points I want to make, and whatever else is said I hope that as decent honest men trying to help this nation we will not misrepresent each other's feelings, and that merely because there are different definitions of the word "dominion" in the dictionaries no one will suggest that anyone on this side of the house has one trace in his makeup of a desire that this country should be anything other than what it is, an autonomous nation. As a matter of fact, as has been well pointed out, autonomy was won by French-Canadian, English-Canadian and other Canadian soldiers on the battlefields in the main, and I hope that nothing will be done here to disturb the unity that was their creation.

Mr. Hosking: I had no intention of taking part in this debate but I think it is time that I expressed the feelings of some of the people of my riding and also my own feelings as their member. I can say without hesitation that nearly all the people in my riding have the same feeling with respect to the definition of the word "dominion" as was expressed by the hon. member for Kamloops and the hon. member for Greenwood. I do not think there are many in my riding who do not revere, love and cherish the name "Dominion of Canada". But I can also say that there are not many of them who do not think it more important to maintain good internal relations between citizens of the Dominion of Canada than they do of the one word "dominion". If we can bring a little closer together the peoples of two great nations living in this country, the French and the English, by giving up the word "dominion", then that should be done. It is on that premise that I propose to support the clause. This is true Liberal policy.

Mr. Sinnott: There has been a little heat added to the argument by the hon. member for Greenwood. I see him walking out and I advise him that he had better stay. I should like to say a few words on Bill No. 41.

Mr. Gauthier (Sudbury): Get going.

Mr. Sinnott: I was pleased to see the member for Peel put forward suggestions as to changes in the bill, but what I want to bring to the attention of the committee is my own experience with certain suggestions made by the hon. member for Peel. I was also glad to see the terrific unanimity in the Conservative party with respect to the question of doing away with the word "dominion". The hon. member for Queens and the hon. member for Three Rivers are deskmates, and yet they have expressed opposite views. I wonder if that is true of all the Conservatives.

Mr. Green: You voted with us last night.

Mr. Sinnott: That was on an altogether different matter.

Mr. Ross (Souris): Three-way John.

Mr. Sinnott: We have the hon. member for Three Rivers expressing one opinion and I am wondering if that is the view of his leader. Before this debate is concluded I hope his leader will express his views so that we may know whether they are the same throughout the whole dominion or whether there is one suggestion for the province of Quebec and another for the rest of Canada.

Mr. Hodgson: You are the next leader of the Liberal party.

Mr. Sinnott: I think there has been altogether too much emphasis put on the word "dominion". When people sing "O Canada", the words "Dominion of Canada" are not in the song. It is "O Canada".

An hon. Member: Oh dominion.

Mr. Sinnott: So far as amending the Dominion Elections Act is concerned, which will be called the Dominion Elections Act from now on—

Some hon. Members: Oh, oh.

Mr. Sinnott: The Canada Elections Act—what we are interested in is to get as many people—

An hon. Member: They could not get "dominion" out of it if they tried.

Mr. Sinnott: —out to vote as possible. In the municipality I represent I have had a little experience in the last thirty years, and the old bylaw provides that voting shall take place from eight o'clock in the morning until five at night. Last year we changed it so that voting now takes place from eight o'clock in the morning until seven o'clock at night with the result that at the last election many more voters turned out at the polls.

Mr. Hodgson: Hear, hear.

Mr. Sinnott: I have an amendment prepared by way of a suggestion to the minister for the purpose of changing the act, but since the next dominion election is many years away I will only make a suggestion to him. I suggest that—

An hon. Member: He cannot read it.

Mr. Sinnott: —we change the act—

Mr. Gauthier (Sudbury): And the bylaw.

Mr. Sinnott: I suggest that the bill be amended at some future time so far as paragraph (a) of subsection 5 of section 31 is concerned.

Mr. Ross (Souris): Of the Dominion Elections Act.

The Chairman: We are on clause 1.

Mr. Sinnott: This is only a suggestion. With respect to subsection 5, I suggest that the polls shall be opened at the hour of eight o'clock in the forenoon and kept open until seven o'clock in the afternoon of the same day. I realize that the returning officers will have to sit there an hour longer and it will involve more expense, but at the same time I think there are many voters in the country who do not have the opportunity to vote. I am sure that if the time were extended one more hour many voters would have the opportunity of casting their ballot. I believe I am being conservative in my estimate when I say that half a million more votes would be cast.

Mr. Ferguson: Here we find the members of the House of Commons discussing the elimination of this word "Dominion", and some of them seem desirous that it be eliminated from the background of Canadian history. All this is occurring at a time when there is a war in Korea, and when we may shortly be engaged in a life and death battle. It strikes me that there are a few members in the house who seem to feel that they must take from Canadians something that is very dear to them because some person might think we are inferior. Some Canadians cherish their historical background, and it makes for better Canadians. I am sick and tired of hearing people referred to as English or French Canadians. I hear hon. members of the house ask questions concerning how many French Canadians are fighting here, or how many French Canadians are in the civil service. We should stop that and refer to Canadians as Canadians.

I speak from a background of ancestors who have lived in this country for 150 years. The only people I know in the British isles, Germany, France or India are the people I have met as a young man going about in this country. I am a Canadian. There were French people from that marvellous province of Quebec who proved that they were Canadians by fighting side by side with me. Their forefathers fought on the St. Lawrence river with my greatgrandfather. They were Canadians. The fathers of confederation fought back and forth verbally and established the great Dominion of Canada. These history-making men, these nation-making men, these far-sighted men decided to give this country a name which would serve to let the generations to come know that colonial Canada had been welded into an everlasting nation. They gave it the name of the Dominion of Canada. Some people would like to set aside the historical facts concerning how this Canada of ours was made a nation and created the Dominion of Canada. There seems to be a concerted attack on all the historical connections between this country and France as well as those between this country and Great Britain. Why? Will any man in this house stand on his feet and say that we have ever suffered because of any connections with Great Britain or the people of France? We grow strong by trials and tribulations. No matter what our forefathers may have done, I am sure that they did those things because they believed they were right. Out of their efforts, and through their trials, this nation known as Canada has been created. It is the envy of the world today because of the calibre of the people who are really Canadians.

What a man who has been elected to the House of Commons sees in trying to break down the historical foundations of Canada, which he knows a great number of people love, I do not understand. Perhaps people believe they can be elected by crying about something that is meaningless. Take away the word "dominion" because these people believe it is historically necessary, take away the little things they cherish, and what will we have? There are some people in this

country who would like to say the King of England is not the King of Canada. I go on record as saying he is the King of Canada. If we lose that connection with empire, we have lost what Germany is seeking today, a figurehead that everyone can respect; something for which France would be a better nation. Spain would be a greater nation if she had a common tie such as the one which binds the people of this country, and binds the people of the empire together. The people of the United States know that they would be a better nation if all the people could come together under a common symbol as we do.

I was in the United States, in the city of Philadelphia, when King George V was dying. Many of the people of that city came to me with their expressions of sympathy, and you would have thought that he was their king. There were announcements of sympathy on the radio, and the newspapers had a black border of mourning. In the great Wanamaker's department store every window on the main street displayed the sympathy of the people for the people of England, as a demonstration of the reverence in which the people of the United States held our king. The great trouble with France today, with its many parties in power, is that the people have nothing to bind them together. It will be a sorry day for Canada when we cannot live in unity with the other great nations of this empire. When our dearly beloved Princess visited this country, surely hon. members must have listened to the radio and heard the cheers that accompanied her along her route. These cheers accompanied our beloved Princess from coast to coast.

I plead with the government to give up their persistence or we shall have party politics. One half of the country will cheer one man and the other half will cheer another. There will be no binding power. I say, stop in your tracks, stop in your efforts, or you are headed for that. I say this as a Canadian. I am sick and tired of politicians trying to destroy something the other man loves, be its origin British, French, German or any other. If a Canadian likes it, if he feels he needs it and it is not going to hurt us materially, let us be big enough not to take away what he believes is dear to him and what we believe is dear to us. Stop this racial prejudice that exists in Canada amongst Canadians. Stop this trying to incite your constituents to point their finger from one end of Canada to the other or halfway across. Stop these references to French Canadians and English Canadians. Refer to Canadians. Bear in mind the thought that you should do everything in your power, irrespective of your origin, to maintain the great binding power of the English crown.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—*Withdrawal of writ.*

Mr. Macdonnell (Greenwood): I have a question to ask the minister. If this is not the right place to ask it, will he tell me where it should come? Reverting to a remark which was made this morning about compulsory voting, I want to ask him whether he knows how the device used in Australia has worked out. There I believe a fine was imposed for non-voting. Does the minister know whether that device was effective or whether there is any other device which has been effective, short of the Russian device?

Mr. Harris (Grey-Bruce): I am sorry, Mr. Chairman, but I could not give specific details. I could inquire from the chief electoral officer who, I know, has all of the information in this matter, and I could give it to my hon. friend later.

Mr. Diefenbaker: Mention was made just now by my hon. friend of the question of compulsory voting. There was also some mention of it earlier today. I do not think that the experience in other countries has been to the effect that compulsory voting has worked out well. Indeed if at this time a citizen has to be forced to exercise the basic right upon which freedom is based, there is something wrong with his conception of citizenship.

I thought I should like to point out one thing. On one occasion during the course of a meeting in my constituency, a question was raised with regard to compulsory voting. Among those present was an elderly gentleman who made his contribution. He said that over the years he had given consideration to means of assuring the preservation of democracy which, as he pointed out, could only be preserved through the general and intelligent use of the franchise. This gentleman said that he had read that in Australia and in New Zealand—particularly in Australia—the compulsory vote was used and that it had not worked out well, even though it had assured that some 91 per cent or 92 per cent of the people cast their votes. He said that he had given consideration to an alternative—and I pass it on to you, Mr. Chairman—which would do away with the necessity of compulsory voting but would assure that people would indeed exercise their franchise. This old homesteader's plan

was that no one should have the right to go on the voters' list unless he registered and, at the same time, paid a fee of $2. At the time he came to vote, a part of the ballot would consist of a counterfoil which would entitle the person who had voted to the return of the $2. He said he believed that if his system were adopted there would be an almost 100 per cent vote in every election. I had never heard the suggestion before, Mr. Chairman, but it has merit.

Section agreed to.

Sections 5 to 34 inclusive agreed to.

On section 35—*Ordinary residence of member of Canadian forces.*

Mr. Churchill: I want some information with regard to section 35. There are three questions I should like to ask in order to get some explanation. Section 35 of the bill has to do with section 23 of the act, which mentions three different places of ordinary residence for a member of the regular forces. Then at line 27 it suggests a fourth method by which a man may designate his place of ordinary residence. Will the minister explain the meaning of that fourth method that is indicated here, commencing at line 27? It is not clear.

Mr. Harris (Grey-Bruce): That method was introduced for the purpose of taking care of those persons—particularly those serving in the navy—who apparently got posted about a good deal more than most; and it is only, as the hon. member has pointed out, the final clause which would take care of any other case which was not included in the three options open to the serviceman in (a), (b) and (c).

Mr. Churchill: No matter where a man be serving, surely he would be covered by (a), (b) or (c). It has not been clear to some of us, in discussing this matter, just why any further distinction would need to be made. The man has a next of kin or a dependent in (a); he could choose his permanent camp—I suppose that is what (b) stands for—if he is in the regular force; and he surely must have been living somewhere before enlistment. Why then the choice, as it must mean, of just any place that he may elect?

Mr. Harris (Grey-Bruce): In the regular forces there are a great many who have been in the forces for a great many years, and the original residences whence they enlisted have no reality because these people may have been stationed, for example, in Ottawa for some years. The purpose of this provision is that they may elect what would be a residence other than the residence of some years before.

Mr. Churchill: My second question is this. In line 9 I note the words "every member of the regular forces". Then in line 26 I find the word "enrolment", and I find it again in line 38 and in line 43. Would it not be clearer to say in line 9; "every attested member of the regular forces"? And where the word "enrolment" is used elsewhere, would it not be better to say "prior to attestation"? A man might become enrolled in the service and not be sworn in and attested for some time. Normally, of course, it would occur within a few days, but there are occasions when a man is enrolled and is on ration strength and so on, but where his attestation or his swearing in would not necessarily occur until all the other forms have been complied with in the way of personnel selection, officer's investigation and his medical testing. I just ask the minister for his comment.

Mr. Harris (Grey-Bruce): The committee gave some consideration to that and concluded that there would be no difference made to the person concerned by leaving it in this form. You will see that the section we are dealing with does in fact apply to the regular army rather than those who attest for a limited period.

Mr. Churchill: My third question has to do with subsection 4, which is not very clear. It reads:

> Except when he or she is also a member of the active service forces of the Canadian forces, a member of the regular forces, may,—

And so forth. Is or is not a member of the regular forces a member of the active service forces of the Canadian forces? What is the distinction?

Mr. Harris (Grey-Bruce): The distinction is that there are some who were members of the regular forces in the first instance, and they are now members of the active service forces as well. The purpose of this is that of a clean-up clause to cover all the other regulations, part of which is here; but part is not, because they are not complete. They are not all being changed, and this will take care of the very rare exception.

Mr. Churchill: Just one minor question. Does this mean then that a person who is in this excepted clause may change his place of ordinary residence at any time other than the month of December?

Mr. Harris (Grey-Bruce): No; the one who is in the excepted class cannot change it in December; it is just those who are in the regular army who may change it annually.

Section agreed to.

Section 36 agreed to.

On section 37—*List of names, etc., of Canadian forces electors.*

Mr. Churchill: Just one question; commencing at line 35 it says that these lists of service people eligible to cast a vote shall be open to inspection by any officially nominated candidate or his accredited representative. An officially nominated candidate would not have access to these lists until nomination day, and that is just a short period prior to the actual election day. Is there any particular reason for placing that limitation on it? With regard to other electors, you have a chance to see their names certainly prior to nomination day. Why should it not be the same with regard to these service electors?

Mr. Harris (Grey-Bruce): No one would be entitled to that information at all except as may be granted by the regulations. According to the section the regulations do not grant that privilege to any person other than the candidate officially nominated and his representative. I realize that the time factor may look rather short. In fact, it is not, because the voters' list is not made up until a matter of a few days before the actual nomination. In the camps and in the areas there will be ample time, having in mind the relatively small number of persons who will be voting, for the officially nominated candidate or his representative to get all the information he needs for the purpose of canvassing public opinion.

Mr. Adamson: I assume then that the various parties could name agents to look after the interests of all their candidates in the area.

Mr. Harris (Grey-Bruce): Oh, yes.

Mr. Adamson: It would not require individual affidavits from the individual candidates to have access to this information?

Mr. Harris (Grey-Bruce): That is a matter of choice. The candidate may do it on his own, or he may go through the party organization.

Section agreed to.

Sections 38 to 48 inclusive agreed to.

On section 49—*Disposition of outer envelope when declaration incomplete.*

Mr. Adamson: One question. I have had some complaints as to the security and the secrecy of the ballot cast by active service electors, in that their names appear on the envelope in which the ballot is contained. Doubt has been expressed to me by several servicemen who voted in the last election as to the secrecy of the way in which they marked their ballots. I assume that this regulation covers that and merely adds to the secrecy. Will the minister explain?

Mr. Harris (Grey-Bruce): That is quite right. The committee considered this and made every effort to improve the secrecy. In fact there is no violation of secrecy but, nevertheless, because the name of the service voter is put on the outer envelope, the service voter himself might get the impression there was not complete secrecy. In fact there is.

Mr. Adamson: He did get that.

Mr. Harris (Grey-Bruce): Yes. In committee it was suggested by your humble servant that we might communicate with the Minister of National Defence to prepare one of these very informative little brochures that he gets out, telling the service voter what happens to his ballot and the outer envelope after he hands it in for mailing and showing that there will be complete secrecy.

Section agreed to.

Sections 50 to 57 inclusive agreed to.

On section 58—*French version amended.*

Mr. Harris (Grey-Bruce): I gave an undertaking that we would not proceed with section 58, and with the permission of the committee I would ask that it be not carried.

The Chairman: Is it agreed?

Mr. Balcer: I think it would be a very bad move if we did that. While I am on my feet I should like to pay a special tribute to the staff of this House of Commons that looks after the translating of our speeches in *Hansard*. They have recently been discussed in this house. I think this house should pay a special tribute to those translators who are doing a wonderful job and who are translating into beautiful French the speeches of the members. I know for a fact that hon. members are sometimes not as clear as the *Hansard* translators make them. I think also that section 58 has been improved not only from the point of view of making it good French but also from the point of view of being understood by the public. I know for a fact that in the rural municipalities of Quebec in the municipal elections we call the returning officer le président d'élection.

(Translation):

In the rural municipalities of the province of Quebec, the "officier rapporteur" is the "président d'élection" whereas the "sous-officier rapporteur" is the "secrétaire d'élection". Everybody understands and the use of these expressions prevents nobody from voting.

(Text):

That is why I should like to insist that this particular amendment contained in section 58 be carried. I think it would improve the act, and would also make for a better understanding of the elections act by all our electors.

Mr. Cannon: I wish first of all to associate myself with the remarks made by the hon. member for Three Rivers as to the excellent work being done by the translators of this house. They are doing very good work, and I certainly congratulate them upon it. But that is not what we have before us. We have an amendment suggested to the Dominion Elections Act, which will now be known as the Canada Elections Act. The purpose of the amendment, as we see on the page opposite, is to improve the French version. I was on the committee, as was the hon. member for Nicolet-Yamaska, and we represented to the committee that it was not an improvement because it was not a correct translation of the English.

The words "returning officer" have been translated as "officier rapporteur" for a hundred years, and they are recognized by everyone. If the section offered an improvement, I would be for it. I would favour it, if there was suggested a better translation of the words "returning officer" than is found in the French words "officier rapporteur". But that is not what is suggested. The suggestion is made that the words "returning officer" be translated as "directeur du scrutin", which means "director of voting". I say a director of voting and a returning officer are not one and the same thing. I shall not elaborate upon it, but if we use the expression "directeur du scrutin" we should also change the English by using the words "director of voting". I submit that so long as the English text contains the words "returning officer" it is not an improvement to change "officier rapporteur" to "directeur du scrutin".

Mr. Harris (Grey-Bruce): Mr. Chairman, I have just one further word. I join with the hon. member for Three Rivers and the hon. member for Iles-de-la-Madeleine in expressing appreciation of the translation of the French text of this bill. At the same time I take this opportunity to express regret concerning some observations which have been made with respect to the translators in the house.

Mr. Knowles: Hear, hear.

Mr. Harris (Grey-Bruce): I must point out that there seems to be a division of opinion among those best qualified to pass judgment on this question. And, so there will be no delay caused by something which can be dealt with at another time, I suggest that when Mr. Chairman puts the questions as to whether section 58 be carried the house join with me in rejecting the section, because we feel that at the moment it is not necessary to proceed with this section.

Mr. Adamson: Do you propose to drop it altogether?

Mr. Harris (Grey-Bruce): Yes.

Mr. Knowles: In view of the remarks which have been made about the excellent work done by the translators in connection with their translations of *Hansard* and other documents that come before us, I wish to re-echo the sentiments of the minister and to express regret that those particular faithful servants have been subjected to some of the criticism voiced recently in the house.

Then, as to section 58, I wonder how many times this session something like this is going to happen. A few days ago an amendment to the address in reply was passed by a vote on the government side. Now we have an instance where a section in a bill moved by the government is to be deleted by action of the government, although the official opposition wants to support it. Apparently this section will be defeated by hon. members on the government side.

Section 58 negatived: Yeas, 19; nays, 53.

The Chairman: I declare section 58 lost.

On the title.

Mr. Fulton: Mr. Chairman, at this point I should like to correct a reference I made earlier. I rise to a question of privilege in this connection. When I spoke earlier I pointed out that what I was saying was subject to correction when I received the information from the library. I have before me now the letters of Queen Victoria, second series, volume I, and the reference I wished to make is found at age 394. I would commend this to anyone who wishes to know more about it.

Title agreed to.

Bill reported.

Mr. Harris (Grey-Bruce) moved the third reading of the bill.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, without entering into the controversy which developed in the discussion which took place before, may I say that I have before me now the authority for which I was looking earlier, and I should like to read it into the record for the information of hon. members. It is a letter reporting to the Queen's secretary on discussions with the Canadian delegates regarding confederation. A moment ago I

indicated the exact reference at page 394, where it is found under the heading, "The Earl of Carnarvon to General Grey":

Dear General Grey,—The North American delegates are anxious that the United Provinces should be designated as the "Dominion of Canada."

I should point out that this is dated at the colonial office, February 7, 1867, and I should add that the words "Dominion of Canada" are in quotation marks, with the word "dominion" italicized. It continues:

It is a new title; but intended on their part as a tribute to the monarchical principle which they earnestly desire to uphold. I see no objection to the proposal. It will give greater dignity to the commencement of this great scheme and consequently greater self-respect to those who take part in the administration of affairs there. I have spoken to Lord Derby on the subject. But it remains to ascertain whether, assuming the Queen to approve of the name of Canada, Her Majesty also approves of this proposed designation of the territory. May I ask you to take the Queen's pleasure upon this point and to let me know?

The point which emerges clearly, which we have been discussing, for which we have been contending, and which I repeat, is that in the use of the word "dominion" there is not the slightest connotation of subjection or subordination. It is now and always has been to us, and was intended at the inception of our nation, by those who first proposed the use of the term, as a tribute to the monarchical principle which they earnestly desired to uphold. And for the same reason and in the same spirit, in an earnest desire to uphold the monarchical principle in Canada, as loyal and affectionate subjects of His Majesty, we desire to retain that word "dominion".

Motion agreed to, bill read the third time and passed.

NATIONAL GALLERY

INCREASE IN MEMBERSHIP OF BOARD OF TRUSTEES—EXPENDITURES—APPOINTMENT OF OFFICERS, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the second reading of Bill No. 42, respecting the National Gallery of Canada.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Macdonnell (Greenwood): There are one or two short references I should like to make to what the Massey report has to say on the national gallery. As I said the other day, in the midst of wars, rumours of wars and the other distractions we have to face, it is hard to see that justice is done to other departments of life. Nevertheless I feel that we must try to escape that danger. I am sure we will all agree that a national art gallery is one of the things which should be regarded as a public responsibility. The Massey report has this to say on page 77:

The national art gallery has been in temporary quarters for seventy years. It was founded in 1880 by the Marquess of Lorne, who selected the pictures which were then lodged with the Department of Public Works.

And later on.

The gallery's collection of Canadian art is the most complete in existence, and the European collections, although not fully representative, are regarded as important by well-informed authorities in Canada and from abroad.

And then I quote from page 79 as follows:

The national gallery states that it can only with difficulty carry on even its present services unless certain immediate needs are met.

I direct those words to the attention of hon. members. The report continues:

First of all, it asks that its present anomalous position in relation to the Department of Public Works be clarified and that it be established as a separate branch of government under a board of trustees, with a status similar to that of the public archives.

I should like the minister to state whether he thinks the bill gives full effect to that. Then later on page 79:

The second pressing need, according to the brief, is a new building.

Without taking up more time of the committee I wanted to put those brief facts before hon. members, so that in looking over the bill they will have this very fragmentary picture of the recommendations made by the Massey commission.

Mr. Harris (Grey-Bruce): Also without going into detail as to the recommendations made by the commission, may I say that this bill is a direct result of the report of that commission. It would not be fair to say that the national gallery will have a more active role now than it has had; because my colleague, the Minister of Public Works, has been as interested in it as any minister could be. Nevertheless it is felt that after thirty-eight years the gallery should have its corporate existence put on a more exact basis and that it should become part of the Department of Citizenship and Immigration so that ideas of art may be given prominence in the life of our country. This is not to suggest that any and all of the recommendations of the commission with regard to the gallery will be carried out. It is merely to say that as a matter of convenience and perhaps to give more weight to the future of the gallery it has been placed under the Minister of Citizenship and Immigration. The director will

remain in the same relationship and will have the same access to the minister. I hope that what is to be done will meet with the approval of the committee.

Mr. Adamson: It seems to me there is a slight danger of conflict in where the work of the national gallery ends and the work of the national museum begins. The national museum is under the direction of the Minister of Mines and Technical Surveys, whereas the national gallery is to be under the direction of the Minister of Citizenship and Immigration. Most of the great museums in the world, such as those in Paris, Madrid and the great Metropolitan museum in New York, are also art galleries. They are more than mere picture galleries, because sculpture should play a great part in any artistic collection. In order to avoid this possible conflict I would hope that the jurisdiction of the museum and the gallery might be placed under one minister. There is one further comment I should like to make. The government in its wisdom provided a guarantee of $10,000 for the Vienna collections that were brought to Canada, but fortunately that was not needed.

Section agreed to.

On section 2—*Definitions.*

Mr. Macdonnell (Greenwood): I felt somewhat sorry that the minister was not able to pay a greater compliment to the Minister of Public Works. I think I could have paid him a more generous compliment if I had had the opportunity. I noted carefully what the minister said.

Mr. Harris (Grey-Bruce): I say it every day.

Mr. Macdonnell (Greenwood): The minister said the Minister of Public Works has been as interested in it as any minister could be. I think that is a most equivocal compliment, but I shall not pursue the matter further. I presume the present minister is the one most interested, and that is the ground on which he is being given the job. May I ask the minister to what extent this bill gives effect to the request of the commission that the national gallery be established as a separate branch of the government under a board of trustees, with a status similar to that of the public archives?

Mr. Harris (Grey-Bruce): The bill does not do that; that is an administrative position which can be worked out within the department. The director of the national gallery would have the same rank in the Department of Citizenship and Immigration as other directors. As everyone knows, directors are usually at the heads of branches of departments.

[Mr. Harris (Grey-Bruce).]

Mr. Macdonnell (Greenwood): As the Minister of National Revenue pointed out yesterday, I do not regard every word of the Massey report as being inspired, but I should like to know whether the minister considers that this is a substantial compliance with the requests made.

Mr. Harris (Grey-Bruce): Very much so.

Section agreed to.

Section 3 agreed to.

On section 4—*Agent of His Majesty.*

Mr. Macdonnell (Greenwood): This section reads:

(1) The board is for all its purposes an agent of His Majesty in right of Canada and its powers under this act may be exercised only as an agent of His Majesty.

(2) The board may on behalf of His Majesty enter into contracts in the name of His Majesty or in the name of the board.

I call attention to the fact that subsection 4 of this section, which gives the power to sell, lease and so on, begins with the words "subject to the approval of the minister." No such words appear in subsection 2. Would not it be proper to have them in that subsection, which is rather more important than subsection 4 which has the qualification?

Mr. Harris (Grey-Bruce): On the face of it that might appear to be so; but the authority of the board of trustees, which is a corporation, is neither extended nor abridged by subsection 2. By reason of its corporate existence it has power to enter into contracts. It is true these contracts necessarily cannot be carried out without a vote of parliament. The difference between subsections 2 and 4 is, as you will see, that in 4 the board has the power to dispose of property belonging to His Majesty. Subsection 2 is in all probability to be used to acquire rather than dispose of, and it was thought that where the board felt they might dispose of some property it would be proper for the minister to know about it before it was done. But in the contract to purchase the board of trustees are operating under a grant which is limited in amount, and their authority in so far as the government is concerned would only exist to the extent of that grant.

Mr. Macdonnell (Greenwood): That is certainly a very reasonable interpretation of what is intended. But surely under subsection 2 the minister might wake up to find that a contract had been made which exceeded their powers or their grant, and which might be embarrassing all round.

Actually is there any possible objection to putting those words in as a safeguard? As I understand what the minister has said, in

effect it is very definitely limited, but why not put that in? Is there any objection to it?

Mr. Harris (Grey-Bruce): I think it is a matter of drafting in the Department of Justice. Crown corporations—and if you choose, this particular bill may be used as an example—are limited by the Consolidated Revenue and Audit Act in that no contract is binding on His Majesty until certain procedure has been followed by the treasury board and the like. I have no objection to inserting it but I should like to warn that the insertion of these words too often in the act would make it appear that the minister had too much to do with the ordinary work of the board of trustees in what admittedly is a specialized field.

Mr. Diefenbaker: I rise merely for the purpose of seeking information. I think the point raised by the hon. member for Greenwood is very pertinent and deserves the serious consideration of the minister and the law officers. It would be a matter of interest if the minister could provide the committee with the opinion of the law officers regarding this particular section.

Mr. Harris (Grey-Bruce): I have just given it.

Mr. Diefenbaker: The minister gave a general summary. I intend to follow through and ask the minister what is the purpose of making the board an agent of His Majesty in the right of Canada. The explanatory note says that it is to conform to recent legislative practice. Would the minister outline what the nature of the legislative practice is in this regard and the purpose of having the wording as it is in this particular subsection?

Mr. Harris (Grey-Bruce): I could do that by repeating what I have already said. When the bill was first sent to the Department of Justice it was only to include one small amendment, namely to increase the number of trustees in order to carry out that recommendation in the report of the Massey commission. It was considered in the Department of Justice that it would be better to pass a new bill bringing up to date the powers of the board to conform with the existing powers of the various corporate bodies that operate under the government. When we were discussing this matter I asked this specific question: If the board of trustees entered into an agreement to purchase a picture or work of art that was worth $10 million, what would the situation be? I was told the situation was that the contract would not be valid as against the crown without certain action being taken by the treasury board, and that therefore we need not worry about that, whether or not the board of trustees would ever do anything of that kind. I was told that this section merely sets out the present position with respect to crown corporations, namely, that they have the power to make contracts within the limitations set out in the Consolidated Revenue and Audit Act.

Mr. Diefenbaker: That might be so if subsection 4 covered purchases. Subsection 4 reads as follows:

> Subject to the approval of the minister, the board may sell, lease, exchange or otherwise dispose of any property vested in the board at the commencement of this act or subsequently acquired by the board.

If ministerial authority is required in the matter of purchases, for example, in the illustration given by the minister, or the authority of the treasury board, which after all in reality would amount to securing the approval of the minister, why is it that the word "purchase" is not included in subsection 4?

Mr. Harris (Grey-Bruce): For the very purpose of precluding the minister having anything to do with the ordinary business of a corporation established by statute. The minister does not want to appear, nor in fact does this minister want to have anything to do with the question of the relative value of art, and the board of trustees have the power to acquire art under this section. It is not intended that the minister should intervene in the normal processes of choosing pictures or matters of that kind. On the other hand, once the property is acquired and becomes the property of His Majesty it is thought desirable that it should not be disposed of without some reference to the minister.

Mr. Diefenbaker: The minister makes the statement that he inquired whether or not the board of the national gallery could purchase a picture costing $10 million, I think he said—

Mr. Harris (Grey-Bruce): I said that.

Mr. Diefenbaker: —and he said the legal opinion was that it could not. Where is there any control over the authority of the board under this measure? The board is given absolute authority as an agent of His Majesty. Subsection 2 says that the board may on behalf of His Majesty enter into contracts in the name of His Majesty or in the name of the board. Where is the limitation under statute that would deny the wide authority granted under this section?

Mr. Macdonnell (Greenwood): I should like to add to that question before the minister

answers. As far as I can see there is nothing in subsection 2 to limit it to the acquisition of pictures. There is no reason why they should not go and buy a national gallery so far as that is concerned.

Mr. Knowles: It might be a good idea.

Mr. Macdonnell (Greenwood): Yes.

Mr. Harris (Grey-Bruce): I quoted the opinion I obtained from the Department of Justice, that there is a limitation in the Consolidated Revenue and Audit Act. If my hon. friend wants the precise citation I cannot give it at the moment. If there is any feeling that this is a matter of importance and any doubt about the power of the board of trustees only extending to the objectives set out in the bill, I will be glad to let this subsection stand. But I am told that it is in practically the same words as in the case of several other corporations established by statute.

Mr. Diefenbaker: Which, for instance?

Mr. Harris (Grey-Bruce): I must say I cannot give names.

Mr. Macdonnell (Greenwood): If the minister says that in the statute there is a prohibition as to the powers of the trustees I can follow it; but if he says there is something in the Consolidated Revenue and Audit Act, or whatever its new name is—

Mr. Knowles: Financial Administration Act.

Mr. Macdonnell (Greenwood): —that does not seem to me to help us much if these trustees go out and do something inconsistent with it. It reminds me of the old picture in *Punch* of the deck steward who said to a passenger, "You cannot be sick in here," and he said, "Can't I?"

Mr. Harris (Grey-Bruce): But if they made a contract outside their powers it would not affect the crown.

Mr. Diefenbaker: With respect to subsection 2, what is the reason the board has authority to enter into contracts either in the name of His Majesty or in the name of the board? What is the reason for that distinction?

Mr. Harris (Grey-Bruce): The reason given for that is, as you will see in the following section, that they have the power to hire people temporarily. They would do that in the name of the board. On the other hand a larger and serious expenditure would in all probability be made in the name of His Majesty after, as we have indicated, reference to those who would be providing a substantial sum of money.

[Mr. Macdonnell (Greenwood).]

Mr. Adamson: Could the trustees commission the creation of a work of art for a specific purpose? Supposing it was thought desirable to have a commemorative picture of some historical event, could they commission an artist to paint that picture?

Mr. Harris (Grey-Bruce): Yes, they could.

Mr. Knowles: They would not have to call for tenders?

Mr. Harris (Grey-Bruce): No.

Mr. Macdonnell (Greenwood): The minister has been good enough to say he is prepared to allow subsection 2 to stand. We are possibly creating something which may go on for a long time, and it may become more important. I should like to be satisfied that there is a good reason for omitting those qualifying words. I believe I understand the distinction which the minister has made between 4 and 2, but I confess it is not wholly convincing.

Mr. Harris (Grey-Bruce): Would it not be better if we passed the section? I shall discuss the matter with my officials and with my hon. friend. We shall not ask for third reading until tomorrow, and if there is any question in the mind of the hon. member at that time it can be discussed then.

Mr. Macdonnell (Greenwood): There are few people who know less about the rules than I do, but it seems to me that once this has passed the minister will not want to make a change. It is sensible to let it stand. I doubt if I have ever seen a bill altered on third reading.

Mr. Harris (Grey-Bruce): I think that what has happened in connection with the previous bill should be an indication that the minister would have no hesitation in amending a bill if he believes it should be amended. If the hon. member will permit it to rest there, I shall discuss it with the officials to see what they think. If an amendment is necessary it can be inserted at that time.

Mr. Macdonnell (Greenwood): If I understand the minister correctly, we are really going to deal with this as if it had been held over, and I am content.

Section agreed to.

Section 5 agreed to.

On section 6—*Objects and powers.*

Mr. Macdonnell (Greenwood): I take it there is no plan under consideration at the moment which calls for an additional building?

Mr. Harris (Grey-Bruce): There has been a good deal of discussion as to the location and nature of a building, and I believe that

discussion is continuing. I understand there have been sites considered, and I believe the site itself is a factor that has to be decided before any other steps can be taken, because the architectural nature of the building would depend to some extent at least on the site.

Mr. Macdonnell (Greenwood): I am not quite sure how far the minister has taken me. Does that mean the trustees are in a position to go ahead and make proposals for a building with a reasonable expectation that if a satisfactory proposal is made their recommendation will be accepted?

Mr. Harris (Grey-Bruce): The precise situation is that already preliminary specifications have been drawn up by an architect, not as to the minimum that would be required in the building but including all those things which should go into a gallery building. The next step will be to determine a site, and then at that point to call for a competition for the design of the building incorporating the requirements which have already been agreed upon. At the moment I believe the position is that if the site is decided upon, then the recommendation of the board of trustees for the calling of a competition would be given serious consideration by the government.

Mr. Macdonnell (Greenwood): Would it be fair to say that this is recognized as a matter of importance which will be given consideration?

Section agreed to.

Sections 7 to 11 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time; now?

Mr. Harris (Grey-Bruce): Mr. Speaker, I gave an undertaking and if I said later this day or next sitting, I think it would meet the exigencies of the situation.

Mr. Speaker: Third reading of the bill later this day?

Some hon. Members: Agreed.

NORTH FRASER HARBOUR COMMISSION

AMENDMENT OF ACT TO PROVIDE FOR TWO ADDITIONAL COMMISSIONERS, ETC.

The house resumed, from Tuesday, October 30, consideration in committee of Bill No. 8, to amend the North Fraser Harbour Commissioners Act—Mr. Chevrier—Mr. Dion in the chair.

On section 1—*Commissioners.*

Mr. Benidickson: Mr. Chairman, when this bill was last before the committee, on October 30, the hon. member for Vancouver East and the hon. member for Peterborough West asked for some additional information on the gross earnings of this harbour commission. I have that information for them. In 1950 the gross revenues were $50,158 and the gross expenditures were $46,372. I have some figures for 1951. To the end of November of this year, that is for the eleven-month period, gross revenues totalled $60,357.35, and the total expenditure for the same period was $46,348. The 1951 expenditures include an unusual item in that during the current year a tugboat was purchased which cost $18,000.

Mr. Goode: When the parliamentary assistant introduced this bill he called it a simple bill. If this bill is simple, then the bill covering the St. Lawrence seaway authority, as well as several other bills that have been considered by this house, are also simple. The parliamentary assistant has told us that the annual expenditure of this North Fraser harbour commission amounts to between $50,000 and $60,000 a year. Yet there is a section in this bill asking that the commission be increased to five members. This week the same department brought to this house the bill covering the St. Lawrence seaway authority. If I read that bill correctly the authority would consist of a president and two other members. So we are faced with the situation where the St. Lawrence seaway authority, which will be spending hundreds of millions of dollars per year, is composed of three members, yet we are asking this house to consider a bill that will increase the North Fraser harbour commission to five members, which body spends approximately $60,000 a year. We also agree that the national harbours board, with their tremendous responsibility in Canada, can get along very well at the present time with two members. Yet the North Fraser harbour commission must have five. The New Westminster harbour commission, which is directly east of the North Fraser, will have this year something like 400 ocean-going vessels under its control; yet over the years they have done very well with three members. For some reason unknown to me, however, someone wants to put five members on this commission.

To some extent I want to go into the matter of my interest in this bill; because it is most important that, when I oppose a bill presented by a minister of this government

whom I greatly respect, I should have definite and proper reasons for doing so. About two-thirds of the shore line of the north arm of the Fraser is also the shore line of the municipalities of Burnaby and Richmond which I have the honour to represent in this house. The other third, approximately, belongs to the city of Vancouver. The city of Vancouver and the two councils of Burnaby and Richmond have bitterly opposed the passing of the first section of this bill, and that is why I am speaking at this time. When my people are against something and it is fitting, according to my judgment, that I should speak against it, then I am at all times going to accept the opportunity of speaking against it, even though a minister of the government proposes it.

As it happens, the Richmond *Times*—a paper put out in the municipality of Richmond—in an editorial some months ago pointed out that the commission was changed about June, 1950. Up to that time, when the old commission sat there seemed to be not too much trouble in regard to whether there should be additional members of the commission. But for various reasons that I do not intend to go into now it was considered by the Department of Transport that this commission should be changed; and it was changed, and will give better administration to the north arm of the Fraser. At that time, before the change, I can tell the committee now it was not possible to take an audit of the books. In fact it was most difficult to get the auditors to express an opinion at all on the commission. When I was elected in June, 1949, this matter was brought to my attention and I, properly I think, brought it to the attention of the Minister of Transport. He immediately took action on it and two members of the commission were changed. Since that time a senior officer of the Department of Transport has visited the commission and I have a copy of the letter he has written to the commission praising them highly for the efficient work they are now doing.

This is the first time, I think—and I do not believe the parliamentary assistant will contradict this—that the commission for the north arm of the Fraser river has ever shown a reasonable operating profit. The reason they are showing an operating profit now is that every industry on the north arm is having to pay its share, whereas in bygone days—and not too far bygone—some people were paying their share and some were not. I think it is the industries that were not paying their toll which are putting up the fight for the two additional members on the commission.

The committee will remember that this bill was brought to the house at the last session. It has been told to me—and I have represented it to the proper authorities—that it was because of a certain meeting in Vancouver not long ago, in connection with the visit of the Minister of Transport to Vancouver, that representations were made by industry that they should be represented on the commission. It is because of that meeting, I think, that this bill is presented to the committee now.

I take exception to the first section of the bill; I take no exception to the second section. The reason I take exception to the first section is this. I told the committee quite clearly that there are authorities administering many hundreds of millions of dollars which are considered by the government able to operate quite effectively with a small number of commissioners. Yet I must consent, being a member of this committee, to a small part of the national life of Canada, the north arm of the Fraser, having five members on that commission—not I think by any wish of the Minister of Transport but because it is the wish of the industries on the river who want control of the North Fraser board.

It will have to be proved by the parliamentary assistant before this committee finishes its deliberations—because I intend to get to my feet again—that the present commission is inefficient. I think I can prove in this committee that it is one of the outstanding federal bodies in British Columbia. If the parliamentary assistant wishes to argue that point I am prepared to prove that it is efficient.

Before I finish with what I am going to say—and I shall not be long because I seldom take too much of the time of this chamber—I want to go into the personnel of the commission as it is at present constituted. Mr. Tom Brooke, who has been an official on this part of the river for sixteen or seventeen years, in my opinion is an able administrator. I think his heart and soul are in the business of the commission. There are times when I do not agree with him; nevertheless he has done a good job on the north arm. I think it is a good appointment of the Department of Transport and I support Mr. Brooke in what he has done. Mr. William Lees, who lives in the municipality of Burnaby, is a recognized property evaluator in that part of the country, a man who is most necessary to the commission because of the foreshore rights that are being rented, leased and sold over the years. Mr. R. M. Grauer for twenty years was the reeve of the municipality of Richmond which is greatly interested in this bill. I do not think

the parliamentary assistant or anyone else will say that any one of those three men has shown inefficiency in regard to his operations on the commission.

I say the commission is efficient, and I will take that view until the parliamentary assistant is able to prove me wrong. Then what is the reason for changing the commission? Does it not seem rather laughable to most of the members of this committee—when I tell you, as I have, that these other great authorities on waterways across the country can operate with two and three men—that a sixteen-mile stretch of water, that for the most part is not much more than half a mile wide at its widest part and a little less than that at its narrowest part before it gets to New Westminster, has to have five members?

It seems to me, Mr. Chairman, that something more than common sense is behind this bill. The people of Burnaby-Richmond, in the words of the reeves,—and the parliamentary assistant has those wires as well as I—bitterly oppose this section of the bill. The original North Fraser Harbour Commissioners Act properly sets out that the interests of the municipalities are to be studied and protected as best that can be done by the federal government. In this case we are not protecting the municipalities. The city of Vancouver has also opposed this section of the bill.

There are 400,000 people or more represented by those three councils. Is this committee to study the interests of the 400,000 people, or is it to study the pressure that has been put on certain people by a few industries on the north arm of the Fraser who are interested only in their bank balances and their financial balances at the end of the year?

I said I intended to speak on this again before we finished it in the committee, but I do formally and on the record oppose the amendments to the North Fraser Harbour Commissioners Act as bitterly as I can, knowing that I am supported by every council on the lower mainland of British Columbia, and knowing that it is a wrong thing for this committee to impose upon my people two more members of the commission for which there is no need. Mr. Chairman, if this commission is inefficient this is not the way to make it efficient. If we have members on the commission who are not doing their job I would be the first in this house to rise in my place and recommend to the Minister of Transport that they be asked to resign, and we would replace them by men who could do the job. But I am convinced that this is a proper commission and that it can do a good job, and I am waiting very anxiously and with some interest to hear the parliamentary assistant prove me wrong.

Mr. Green: Is the parliamentary assistant not going to answer?

Mr. Benidickson: I am waiting for the various comments.

Mr. Green: This is a rather unusual attitude for the parliamentary assistant to take. The hon. member for Burnaby-Richmond has made out a very good prima facie case, and I think he is entitled to a reply from the parliamentary assistant. However, I should like to say a few words on section 1 and to suggest to the parliamentary assistant that he drop it.

No one is quarrelling with section 2 of the bill. Section 1 merely increases the number of harbour commissioners from three to five, and in addition—and this is a very important addition—it provides that four of these commissioners must be appointed by the government. The present set-up is that there are three commissioners, of whom one is appointed by the three municipalities of Vancouver, Burnaby and Richmond. The other two are appointed by the government. If this section is passed the municipalities will still have only one member on the commission and the government appointees will number four instead of two.

It is very significant that these three municipal organizations have all opposed section 1. When the North Fraser harbour commission was established in 1913 it was provided that the profits made by the operations of the commission would belong to the municipalities. Incidentally, in 1913 Vancouver was not involved but there were two municipalities called South Vancouver and Point Grey which have since become part of the city of Vancouver. The three municipalities are the bodies that are interested in any profits made from the operations. Therefore the operations of this commission are of prime importance to them.

Furthermore there must be some neutral control of this harbour commission, and I suggest to the parliamentary assistant that the municipalities are the proper people to have such control. They are not subject to influence by different groups in the same way that other appointees would be. If there is any body in a position to appoint commissioners whose sole interest is the protection of the public, that body is these municipalities.

Mr. McIlraith: The same argument would apply with reference to the government, would it not?

Mr. Green: The same argument does not apply with reference to the government,

because these municipalities are on both sides of this particular waterway, and members of the respective councils are right there on the spot where they can understand what is required. They have to satisfy the residents in the district. They are directly responsible to the people there.

Mr. McIlraith: Members of parliament are in the same situation.

Mr. Green: Whereas the government is back here, 3,000 miles away.

Mr. McIlraith: Members of parliament are responsible to their electors.

Mr. Green: I ask the parliamentary assistant to the Minister of Defence Production not to try to be smart about this matter.

Mr. McIlraith: I am not trying to be smart; I am pointing out flaws in the argument.

Mr. Green: I am making a serious argument. If he does not agree, he can get up and make his own speech. He does not know anything about this, anyway.

Mr. McIlraith: I know a specious argument when I hear one, though.

Mr. Green: Well, you hear a lot from your side of the house, so you should. We have here public bodies who are responsible to the people of the district and who in addition will gain from the proper administration of this seaway. As I have intimated, they are unanimous in opposing this section. They do not want to have the number of commissioners increased from three to five. If the government is not satisfied with the present commissioners, then it is its responsibility to change them. That is not what is being done. Those two men, who presumably do not meet with the favour of the government, are being left on the commission, and two other men are to be added. On the face of it that shows there is something not right with this proposal.

Another fact which is of great importance is that it would be unfair and unwise to place the control of this waterway in the hands of the people who have foreshore rights to acquire, who may want to get rights to erect docks and piers, who may want rights for booming grounds. There are millions of feet of saw logs stored in the North Fraser and there are very valuable rights to be acquired by the lumber people and other industries that use the waterway or that have operations on the North Fraser. I do not believe it is sound to turn over control of the waterway to representatives of the people who are doing their business on the waterway, and who stand to profit from being able to get benefits which might not come to them if it were under the control of the municipalities, or of an impartial body, or of a power which had absolutely no interests at stake.

It should be a cardinal principle in setting up these commissions that power ought not to be given to the people who are going to be doing business with them. Control should be kept in independent hands, and today that is the position. This commission is under the control of independent people. Someone does not like it and wants to have a change made. Representations were made a year ago showing that there is an attempt to get at least a strong voice in the operations of the commission. For many years we had a harbour board in Vancouver, the best harbour in Canada, and one which does a tremendous business. We had only three commissioners for that harbour, and they were not appointed on the recommendation of the people who were doing business with the harbour board.

I believe the same plan should be followed in connection with the North Fraser harbour commission. In reality I think this is a Liberal party matter. This trouble arises, and the bill becomes a necessity, because of trouble in the Liberal party. I have here a dispatch from the Vancouver *News-Herald* reporting an interview with the Minister of Fisheries upon his return recently from Japan. The article states:

> Mr. Mayhew says he favours the three-man harbour commission if a certain one of the present three members will resign, and if Mr. Goode will live up to his promise to obtain that resignation.
>
> Meanwhile Mr. Mayhew said the government is going ahead with the bill for a five-man commission. But anybody who is appointed will represent all the people, not the tow-boat or sawmill operators.

That report may or may not be correct, but—

Mr. Mayhew: I say part of that report is utterly wrong, and I shall take occasion later on to say where it is wrong.

Mr. Green: This is a quarrel in the Liberal party which should not have to be settled on the floor of the House of Commons. It should not have to be settled by increasing the expense to the extent of appointing two extra commissioners. It should not have to be settled by giving the municipalities concerned only a one-fifth voice instead of a one-third voice, as they have at the present time, in the operations of the harbour commission.

By section 20 of the incorporating act this harbour commission is given power to regulate and control navigation and all works and operations within the harbour, to appoint constables and so on. Also it is given power to make bylaws for the government of all

parties using the harbour, and of all vessels coming into or using the same, and by such bylaws to impose tolls to be paid upon such vessels and upon goods landed from or shipped on board the same, as they think fit, according to the use which may be made of such harbour and works.

The commission is given control over shipping, and it has had one great difficulty, which I submit I am in order in discussing on this section, because it concerns the whole set-up of the commission. That difficulty is that there is an old bridge right across the waterway—

Some hon. Members: Order.

Mr. Green: —which was constructed at the turn of the century—

Some hon. Members: Order.

Mr. Green: —and which interferes with all this shipping.

Mr. Benidickson: A point of order, Mr. Chairman. The bridge to which the hon. member refers surely has nothing to do with this bill, or with the Department of Transport.

Mr. Green: I submit it does have a connection with the bill, because control of shipping is in the hands of this harbour commission; and shipping is being impeded because of the type of bridge across this waterway.

For example, I have here a brief filed by the B.C. tow-boat owners association covering obstructions and hazards to navigation in this waterway in the vicinity of the Marpole bridge. I shall not read it at length, but I would point out—

Mr. Fournier (Hull): Mr. Chairman, when this bill first came up the hon. member for Vancouver-Quadra discussed the Marpole bridge at some length and, against my wishes, drew me into that discussion. He admitted at that time that we were both out of order.

Mr. Green: I did no such thing.

Mr. Fournier (Hull): The hon. member will agree now that he knows he is out of order in referring to the Marpole bridge, which has existed for fifty or sixty years over the north arm of the Fraser river. This bill has no connection with the Marpole bridge. It is a subject matter foreign to the increase in the number of commissioners. I suggest the hon. member should not be allowed to discuss that subject. When the estimates come up, in whatever department the hon. member thinks is responsible, I suggest he should take a day and discuss the matter.

Mr. Knowles: Give him a day and he will take a week.

Mr. Fournier (Hull): But right now I suggest the hon. member is out of order. He understands that.

The Chairman: I would refer the committee to standing order 58 (2) which says that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. It seems to me that what the hon. member is saying is not strictly relevant.

Mr. Green: My submission is that the government is now taking the responsibility for changing the set-up of the commission, one of the main functions of which is to control shipping on that waterway. I submit further that we are entitled to a statement from one of the ministers in regard to the Marpole bridge.

The Chairman: Order. The principle of the bill is an amendment, not the act itself.

Mr. Green: I submit the amendment opens up the subject of the operations of the commission.

The Chairman: I think not.

Mr. Green: It brings about a change in the set-up, and I submit it entitles me to raise this question.

The Chairman: I am sorry, but I cannot permit the discussion.

Mr. Green: I am very sorry, too, Mr. Chairman. I only hope that you will not be held up for an hour or two some day when you are coming from the Vancouver airport because the Marpole bridge is open and a tug is going through.

I would urge again upon the parliamentary assistant that no attempt be made to alter this commission, as suggested in the bill. Leave the membership at three. If that is done the municipalities cannot complain. Then if the government is dissatisfied with its own two appointees—and, mind you, these two men were appointed by this very government—let it take the responsibility for removing those men and appointing others.

Mr. MacInnis: Mr. Chairman, I wish to say a few words in connection with this bill. When the bill was in committee a month and a half ago we asked the parliamentary assistant for some information but he did not seem to have it; and the Minister of Public Works moved that the committee rise and report progress. We have a rather peculiar situation here. This bill appeared on the order paper in the name of the Minister

of Transport, being one of several bills introduced at about the same time by the minister. When the other bills were dealt with the minister was here to pilot them through the house in his usual capable manner, but he seems to find it convenient to be absent when this bill is before the house.

Mr. Fournier (Hull): I do not think the hon. gentleman is fair. The Minister of Transport is out of town attending an official function.

Mr. MacInnis: Far be it from me to say anything that would reflect in any way upon the Minister of Transport. If there has been even a suggestion of that in what I have said, I willingly withdraw it. But I do point out that he was not here when this bill came up before and is not here today, while he was here when all the other bills introduced over his name were debated.

I suggest that the government take note of what the hon. member for Burnaby-Richmond said this afternoon. I think he advanced an argument that cannot be met when he pointed out that only a few days ago we set up the St. Lawrence seaway authority which will have authority to expend hundreds of millions of dollars, and it was deemed by the government sufficient to have only three men constitute that authority and deal with a matter of that magnitude, while here we are to have a board of five to administer a small section of the Fraser river and handle expenditures of less than $100,000 a year. Surely there is no one in this house, no matter how naïve he may be—I am not suggesting that members are naïve—who cannot see something fishy in connection with the North Fraser harbour board.

I have in my hand a copy of the Richmond-Marpole *Times*, a weekly paper published in the area served by the North Fraser harbour board. The editorial in this issue is very much opposed to what is being attempted here, that is to increase the board from three to five members. It points out, as has been pointed out already by the hon. member for Vancouver-Quadra and the hon. member for Burnaby-Richmond, that the municipalities concerned not only are not asking for this but are definitely opposed to it. The editorial reads:

> The industrial forces behind the move to change the North Fraser harbour commission from three members to five have claimed that such reorganization is necessary in the interests of efficiency.

It indicates the organizations which are behind the move to increase the membership of the board as follows:

> B.C. Lumber Manufacturers' Association
> B.C. Towboat Owners Association
> Salmon Canners Operating Committee

The editorial goes on to point out that the new commission is certainly not inefficient when the present revenues are compared with those obtained under the old commission. The total revenue for 18 months under the old commission amounted to $37,938.72 as compared with $84,001.89 for 16 months under the new commission. It would appear that there could not be inefficiency there. If an attempt is made to force this through the house we shall have to oppose it because a case cannot be made out for appointing five commissioners to handle a revenue of $50,000 or $100,000 a year. There is no reason in the world why that should be done except to serve the interests of people who want to get control of the board. We might as well be straight on that and act accordingly. I suggest to the government that they withdraw the bill and not perpetrate this sort of thing on the people of the North Fraser river.

Mr. Hodgson: As the hon. member for Vancouver East has said, I think there is something fishy in this bill. I believe the hon. member for Burnaby-Richmond deserves considerable credit for having the courage to get up and oppose the government in the way he did. There should be more members of parliament with such courage rather than simply being tin soldiers who get up and speak or pound their desks and at times act against their own way of thinking.

It has not been proved to me that more members are needed on this board. I should like the minister or the parliamentary assistant to tell me why two extra members are being put on the board and what salary they will be getting. It seems to me that probably there are some political heelers who have their hands on the doorknob of the government asking for jobs.

Somebody has to take care of them. If the minister would answer these questions I would be more happy about the situation. After all, those who have spoken must know something about the situation or they would not speak in the manner they have, especially when it is against the wishes of the municipalities on both sides of the river. I think there is something fishy about the whole deal.

Mr. Mayhew: I do not intend to delay the house long in rising to speak in support of the bill. I should like to point out, however, that while a three-man commission is probably satisfactory as a harbour board for Vancouver, and probably three men are sufficient on the larger project on the St. Lawrence river, I do not think a three-man commission would be satisfactory at the present time in this situation.

Mr. Hodgson: Why?

Mr. Mayhew: I will tell you why. In the first place the government has recognized two of the municipalities in the past. All three men on the board at the present time live in either Burnaby or Richmond. Vancouver's representative, while living in another municipality, has large holdings adjacent to the bridge. That does not mean to say I think that man would not be satisfactory, but the principle of giving representation to municipalities that do not contribute anything toward the support of the waterway has been recognized. Any revenue derived is divided with the municipalities. Some of the revenue goes to the provincial government, but all expenditures on the north arm of the Fraser come from the funds of the federal government. I think the very fact that there would be five men on the commission would make the situation more secure. If you want to change the present membership of the board representatives of the lumber industry, the fishing industry or any other industry could be appointed. There would be nothing to hinder the appointment of representatives of the lumber, fishing or tugboat industries, and they would have complete control of it.

With a five-man commission, and four of them appointed by the federal government, there is very little chance of any one industry or person imposing his will on the other four people on the commission. That is one reason I am supporting the bill. At one time I thought three members would be sufficient, but with only three members on the board there was no way to provide representation for all the municipalities affected. It might have been preferable to do what is being done with respect to the St. Lawrence waterways. The different municipalities and cities along the St. Lawrence river are not being brought into the picture and asked to take a part. The dominion government is going to appoint engineers who will be able to deal with the size, depth and width of the canal and how it is going to be operated. Nobody else is going to be allowed to have any say about it because they are not paying for it.

If we were to do the same thing here it might be the best way; but these same municipalities would be the very ones to object to taking that kind of stand. Therefore in order to protect the Fraser river from becoming the preserve of any special group on the river we are far better to have five commissioners rather than three, particularly when those three come from outside the area where most of the money is being spent. After all, the revenue of the commission comes from money paid by people who live along the river. It is not from the municipalities. It is revenue collected from the people along the river. Therefore I think they have the right to some say, but they have no right to dominate the commission and impose their preferences. Rather than there being something fishy about the matter, it would be far more liable to be fishy with only three men on the commission rather than five. I support the bill because I think it is the right thing to do.

Mr. Abbott: If I could have the indulgence of the house, I have an important announcement I should like to make, and I should like to move that the committee rise, report progress and ask leave to sit later. The statement I have to make is fairly short, and I would ask that at this stage we revert to motions to enable me to make it.

Section stands.

Progress reported.

FOREIGN EXCHANGE CONTROL

EXEMPTION OF ALL CLASSES OF TRANSACTIONS FROM PERMIT REQUIREMENTS

Mr. Adamson: Before the minister speaks, will there be an opportunity to discuss the motion he is about to make?

Hon. Douglas Abbott (Minister of Finance): I am not making a motion. I am going to make a statement. If I have leave to revert to motions, I wish to make an important announcement with regard to foreign exchange control. Members of the house will recall that when the government introduced the Foreign Exchange Control Act in 1947, and when we introduced bills extending it for two-year periods in 1949 and 1951, we made it clear that we regarded exchange control as a regrettable necessity with which we would gladly dispense when conditions permitted us to do so.

The present act expires sixty days after the commencement of the first session of parliament commencing in the year 1953. During the past year or so there has been a progressive relaxation of Canadian exchange restrictions; the travel restrictions were abolished in October, 1950; the last of the import restrictions imposed for exchange reasons were done away with at the beginning of this year; and in the course of 1951 there have been a number of quite extensive relaxations in the administrative procedures followed by the foreign exchange control board under my direction with respect to capital movements and other matters. At the present time exchange control bears very lightly on the Canadian economy. These

welcome developments have naturally caused me, as the responsible minister, to give earnest consideration to the question whether the time was approaching when I could recommend to the government that exchange control be done away with. In considering this question, it has fortunately not been necessary for me to make any forecasts regarding the tranquillity or roughness of the waters which lie ahead; my task has been the more limited one of trying to decide whether there is sufficient likelihood that we shall wish to make use of foreign exchange restrictions to deal with whatever problems do in fact arise in the future to justify the continued retention of the powers contained in the Foreign Exchange Control Act and the administrative apparatus necessary to carry out its provisions.

The conclusion I have come to is that we would be better advised not to rely on exchange restrictions, but rather on the general handling of our domestic economic situation to keep us in reasonable balance with the outside world and to maintain the Canadian dollar over the years at an appropriate relationship with foreign currencies. This view has been shared by my colleagues, and the government has today amended the foreign exchange control regulations so as to exempt all classes of transaction covered therein from permit requirements. I shall lay on the table of the house a copy of the order in council by which this has been done. Its general effect is that foreign exchange control has been abolished in Canada.

It is the present intention of the government to introduce at the next session of parliament if the legislative program permits, and at all events before the present act expires, a measure repealing the Foreign Exchange Control Act and substituting therefor a new exchange fund act drafted along the same general lines as those parts of the Foreign Exchange Control Act which have to do with the operation of the exchange fund. Meanwhile the exchange fund, which holds the official reserves of gold and foreign currencies, continues in being and in operation under the Foreign Exchange Control Act and is available to contribute to orderly conditions and as a factor of stability in the exchange market.

Foreign exchange control was one of the basic instruments for effective utilization of our resources for the conduct of the war. During that period and during the period of post-war readjustment the circumstances and problems which arose often placed a heavy burden upon the administrative staff. On this occasion I wish to express, on behalf of the government, appreciation of the efficient and devoted services which the staff has always given in the fulfilment of its duties. I wish also to express appreciation of the co-operation we received from the agents of the board, business organizations and the public generally. I wish now, Mr. Speaker, to table these orders.

Mr. J. M. Macdonnell (Greenwood): The minister will not be surprised if for once we are able to congratulate him. It is perhaps one occasion upon which one would like to spin out one's congratulations, and even make certain annotations on them. I believe I shall content myself with saying that we are very glad the minister has taken this action. We think we may have contributed something to it; and if we did, we are very glad of that, too.

Mr. Rodney Adamson (York West): I should like to associate myself with those few words of congratulation to the minister upon the action he has taken. I have been pressing for this for several years. There is just one further step his department should take, and that is the establishment of a free gold bullion market here in Canada. This would completely free our currency from any control, and make it the world's most desirable money. I hope to see this in the comparatively near future.

NORTH FRASER HARBOUR COMMISSION

AMENDMENT OF ACT TO PROVIDE FOR TWO ADDITIONAL COMMISSIONERS, ETC.

The house resumed consideration in committee of Bill No. 8, to amend the North Fraser Harbour Commissioners Act—Mr. Chevrier—Mr. Dion in the chair.

On section 1—*Commissioners.*

Mr. Goode: I am sorry that I have to oppose my own minister on this bill. I do so with respect, and I believe it is an indication of the strength of this party, if nothing else, when a member can get up in this house and disagree with the minister. I cannot follow his line of argument that there should be some representative of industry on this commission. Perhaps I am somewhat amateurish in this business, but I should like to know of any major board where such a condition obtains. I know many of my constituents have questioned me whether industry should be represented on the commission, and they have asked me the same question: Where is there a major board upon which industry is represented? I am sure this must be the one case where the commission has been increased from three men to five.

Mr. Benidickson: I thought the Minister of Fisheries had effectively answered the criticism of this bill. There are several features, however, particularly those which refer to the department upon which I think I should properly give the house some explanation. The hon. member for Vancouver East suggested that something more than the usual procedural delays accounted for the fact that this bill had not come before the committee earlier. I want to assure him that had nothing to do with the wishes of our department. At the beginning of this session this particular bill, as well as another harbour bill, were assigned to me by the Minister of Transport as those which he hoped I would guide through the house. It is recognized by all hon. members that the minister has had probably as great a responsibility in piloting legislation through this house as anyone on the front bench. It was always considered that this bill had less importance when compared with other items on the order paper. On the other hand it was realized that, since it was coming close to Christmas and the interest in the bill was chiefly on the part of members from the far west, the measure should be proceeded with even though there are other items on the order paper of greater importance. I have been here night after night waiting for this item to be called, and ready to go ahead if the procedure permitted.

Something has been said about the size of this commission. There are a number of harbour commissions composed of three people, but there are others that have five. The hon. member for Burnaby-Richmond said that I should establish the inefficiency of the present commission. Well, Mr. Chairman, that is the farthest thing from my thought. I agree with the hon. member for Vancouver-Quadra that if the government has not confidence in its two nominees on this commission, it has the responsibility to replace them. The government has the authority to replace them, but that is not the issue. I do not for a moment propose to establish any lack of confidence in the men. While I agree with hon. members who have said that three of the municipalities concerned have urged that the commission be not increased, two of those municipalities have been persuaded through attending a joint meeting of the users of the harbour that there was some lack of confidence in the case of one municipality in two commisioners, and in the case of another municipality in one commissioner.

The Minister of Fisheries has suggested that by broadening this board it will rest better with all those who are users of this harbour. The hon. member for Burnaby-Richmond asked if there were any harbour commissions that had direct representation of industry. I do not think there is any intention of giving any particular industry, as such, the right to nominate a direct representative on this commission. On the other hand, the board of trade in the city of Toronto nominates one of the five members of that harbour commission. I am sure that, just like any member of this house, any person who has had business experience and who is placed on this commission will feel that he is a public servant. He would disregard his personal interests, and I am sure that would be the case even if the commissioner happened to have experience in the various industries that were the chief users of this harbour.

There was a suggestion that in comparing the revenues for the present year with those of 1949 one could make some assessment of the work of the present commission. I say that statement is neither to be challenged nor defended. It is a matter of fact that in the intervening year harbour rates were substantially increased, so that is not a yardstick that could guide the house. I might point out also that in the neighbouring harbour of New Westminster the government has the authority to appoint all the commissioners. It is established by what the Minister of Fisheries has said that additional investments in this harbour were made, not by the municipalities concerned but by the federal government. I might just put the figures on record which indicate that in the last fiscal year the federal government, in addition to the moneys expended by the harbour commission, spent $298,000 on this harbour for wharf construction and dredging. In the previous year the federal investment in this harbour, quite apart from the expenditure of the commission, was $358,696. We do feel that two more commissioners should be appointed since the city of Vancouver, one of the largest municipalities concerned, has not actually a representative on this commission. That might come about through this amendment.

The Chairman: Shall the clause carry?

Mr. Hodgson: I should like to have my question answered.

Mr. Benidickson: I think the hon. member for Victoria (Ont.) asked a question with respect to salaries.

Mr. Hodgson: How much money is involved?

Mr. Benidickson: It will be noted from the amendment that it is now proposed that the governor in council will have some control over the amount of these salaries. The simple

increase in the number of commissioners does not, of necessity, mean that the total remuneration will be increased.

Mr. Green: The Minister of Fisheries has stated that, with only two government appointees on this commission, the situation would probably be more fishy than with four, using the word "fishy" in the slang sense in which it was used by one or two other members of the committee. That is not a particularly good recommendation for the government appointees. If he feels that way about the two present commissioners, surely something should be done about it.

Mr. Mayhew: Pardon me. I must not let that statement go unchallenged. I did not say that. The hon. member was the one who brought up the remark about lack of confidence. I did not say anything at all about lack of confidence in these men. The hon. member is the one who said there was something fishy about wanting five. Surely there is less chance for fishy dealing with five than with only three.

Mr. Green: That is what the minister said, that it would be less "fishy" if there were five rather than three.

Mr. Mayhew: I think it would be; that there would be more chance of its being efficient.

Mr. Green: Both he and the parliamentary assistant have now stated that they have every confidence in the present commission. The minister has gone on to explain that he is going to have these two additional men appointed to represent the industries doing business in the harbour.

Mr. Mayhew: Pardon me. Do not put words into my mouth. I did not say I was going to have anybody appointed. I never at any time said I was going to appoint anybody to represent any industry. I am a manufacturer, but I am not in this House of Commons representing the manufacturers. I am here representing all of the people of the city of Victoria; and in my present position as minister I am representing all the people of Canada in the thing I speak of, not the manufacturers or anybody else. If there happens to be on this commission a man who is in the tugboat business, or a man who is in the sawmill business or one in any other business, he is representing all of Canada and not representing that business.

Mr. Green: Then the parliamentary assistant and the minister said the municipalities had only one representative; they hinted that that was hardly fair, and might be one reason the government should be allowed to appoint two additional commissioners. If they really mean that, they could easily bring about that result by amending section 1 to provide that the municipalities shall appoint three commissioners of the five. Then there would be a representative from each of the municipalities and the whole argument would be settled. I would remind the Minister of Fisheries that, with regard to that point, the resolution of the city council of Vancouver reads as follows:

> Resolved that council is of the opinion if the act is to be amended to enlarge the commission from three to five members which is contrary to council's opinion on the matter concurrence can only be given if three are to be appointed by the municipal councils concerned or their nominees after consultation with industry and that the other two are appointed by the government from industries operating on the river.

If the minister wants to have the municipalities given fair representation on this commission, will he agree to a further amendment of this section to provide that there shall be one commissioner appointed by each of the municipalities?

Mr. Benidickson: The answer is no for the reason I gave, namely that quite apart from the expenditures of the commission itself, the federal government are making substantial investments in that harbour, which makes it possible. I think the same people in a municipal organization are a part of the representative area of Canada which has this substantial vested interest.

Mr. MacInnis: A moment ago the Minister of Fisheries said those who were appointed as commissioners, whoever they were, would represent the people as a whole; but I noticed that the first person he mentioned who might be appointed was a person from the tugboat owners' association. Does that mean an appointee has already been chosen from the tugboat owners' association? As possible commissioners he mentioned persons from the three organizations that we claim are behind these amendments, namely the tugboat owners' association, the operating canners and the sawmill operators. Are there any others outside of those who might be appointed commissioners? How did it happen that the minister just mentioned, first of all, the tugboat owners' association? That is what the people are concerned about. They are concerned that a representative of one of these interests will be appointed as commissioners, or two may be appointed; and they are just afraid that they will run the harbour board for their own benefit.

Mr. Gibson: Let us get someone who is on relief.

Mr. MacInnis: My hon. friend knows that he is on the outside fringe. There is no

reason why a fringe person would not be just as satisfactory to them on the harbour board as my hon. friend is to them here.

Section agreed to.

Section 2 agreed to.

Title agreed to.

Bill reported.

Mr. Mayhew (for Mr. Chevrier) moved the third reading of the bill.

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

Some hon. Members: No.

Some hon. Members: Carried.

Mr. Speaker: Carried.

Mr. Low: Put the question, Mr. Speaker. Call for the yeas and nays.

Mr. Speaker: Carried,—

Mr. Fournier (Hull): On division.

Mr. Low: No.

Mr. Speaker: Does the house wish me to call for the yeas and nays?

Mr. Low: Yes.

Mr. Speaker: Those in favour of third reading of this bill will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Anderson	Conacher
Applewhaite	Cote (Verdun-La Salle)
Arsenault	Croll
Balcom	Darroch
Bater	Dechene
Beaudry	Decore
Benidickson	Dewar
Blanchette	Dickey
Blue	Dion
Boisvert	Dumas
Boivin	Eyre
Boucher	Ferrie
Brown (Essex West)	Fournier (Hull)
Cameron	Fulford
Carroll	Gardiner
Carter	Garson
Clark	Gauthier (Lake St. John)
Claxton	Gauthier (Portneuf)
Cloutier	Gauthier (Sudbury)
George	McIlraith
Gibson	McLean (Huron-Perth)
Gour (Russell)	McWilliam
Gourd (Chapleau)	Major
Gregg	Masse
Harris (Grey-Bruce)	Mayhew
Harrison	Mutch
Helme	Pearson
Hetland	Proudfoot
Hosking	Prudham
Howe	Richard (Gloucester)
Huffman	Riley
Jutras	Rinfret
Kickham	Robertson
Kirk (Digby-Yarmouth)	Robinson
LaCroix	Rooney
Lafontaine	Ross (Hamilton East)
Laing	St. Laurent
Langlois (Gaspe)	Sinclair
Leger	Sinnott
Lesage	Smith (York North)
Little	Stick
Macdonald (Edmonton East)	Stuart (Charlotte)
MacKenzie	Tremblay
MacLean (Cape Breton North and Victoria)	Ward
MacNaught	Warren
McCann	Weir
McCubbin	Whiteside
McCusker	Whitman
McDonald (Pary Sound-Muskoka)	Winkler
	Winters
	Wood—100.

NAYS

Messrs:

Adamson	Harkness
Argue	Hees
Balcer	Herridge
Black (Cumberland)	Hodgson
Blackmore	Jones
Blair	Knight
Brooks	Knowles
Bryce	Lennard
Casselman	Low
Catherwood	Macdonnell (Greenwood)
Charlton	MacInnis
Churchill	MacLean (Queens)
Coyle	McGregor
Diefenbaker	McLure
Dinsdale	Meeker
Fair	Murphy
Fairclough, Mrs.	Noseworthy
Ferguson	Nowlan
Fleming	Quelch
Fulton	Ross (Souris)
Goode	Tustin
Graydon	White (Middlesex East)
Green	Wright—47.
Hansell	

Mr. Cleaver: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted, I would have voted for the motion.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted against the motion.

Mr. Pouliot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted for the motion.

Mr. Cardiff: Had I voted, I would have voted against. I think if my pair were here he would have voted with me.

Bill read the third time and passed.

Civil Service Act

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

Hon. Alphonse Fournier (for the Secretary of State) moved the second reading of Bill No. 43, to amend the Civil Service Act.

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

Mr. Knowles: On division.

Mr. Speaker: Carried, on division?

Some hon. Members: Just a moment.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I wish to take only a few moments to reiterate a suggestion I made last year when the estimates were under consideration. Since that time I have secured figures from the department with reference to the number of employees in the civil service who come under the regulations of the civil service commission. I find that as of May 31, 1951, there were 8,580 women with permanent status and 19,236 with temporary status. In other words at that time there were 27,816 women under the civil service commission.

I do not wish to take up the time of the house except to say that at the moment there are three commissioners, one of whom has had his time extended, and who will be due for retirement within a couple of years. When this vacancy occurs I would ask the government to give serious consideration to the appointment of a woman member of that commission, due to the large number of women who come under the control of the civil service commission, and because of the representation they deserve on it.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Tenure of office.*

Mr. Knowles: I should like to ask a question on this section. I do not register any particular objection to section 1; it is section 2 to which I object. That is the reason I shouted "on division" so loudly a moment ago.

In connection with section 1, is it not a bit unusual to place in a statute the name of the minister on whose recommendation an order in council is to be passed? This section has to do with extending the tenure of office of civil service commissioners and, beginning at line 20, it reads:

> The governor in council, on the recommendation of the Prime Minister, may extend the term of office of a commissioner—

And so on. When statutes specify what is to be done by order in council, is it not customary merely to say that such and such can be done by the governor in council? Why pinpoint it to the Prime Minister?

[Mr. Cardiff.]

Mr. Fournier (Hull): The only answer I could make is that the branch is under one minister who generally makes the recommendations. But, as the committee is aware, this is the most independent body we have in the employ of the country. While they have representation in the house in the person of the Secretary of State, the recommendations for the appointment of these commissioners are made by the head of the government.

Mr. Knowles: The minister has referred to the point that was in my mind. I have not the Civil Service Act before me, to ascertain whether there is in it a section saying whom the word "minister" means, but I would assume that for the purposes of the administration of the Civil Service Act "minister" would mean the Secretary of State. At least he is the minister responsible to parliament. It occurred to me that if anyone were making recommendations to the governor in council with respect to the civil service commission it would be the Secretary of State, and that such action would follow automatically. I appreciate the minister's statement that he has no answer other than the one he has given. However it struck me as not quite proper to have it put in this way.

Mr. Hodgson: Mr. Chairman, I believe the civil service commission should be an independent body. It should be hired by parliament and, if necessary, its time extended by parliament. In my view the present commission is efficient. It has a big and an important job to do; but I have reason to know that the civil service commission is more or less tied by the cabinet at the present time. This bill will tie its hands to an even greater extent. It will not be the independent body that it should be. The Civil Service Act gives the minister power to overrule a decision of the civil service commission for cause. I have had occasion to inquire about this, and I could not find out just what the cause was other than that political pressure had been brought to bear by someone in my riding upon the minister or his staff, and the decision of the civil service commission was overruled. I am quite definite about that. If there is to be any change in the Civil Service Act, that one section should be taken out. We are either going to have a body that is independent, or one that can have its decisions changed by the minister for cause; and when that happens no one can find out just what the cause really is.

Section agreed to.

On section 2—*Salaries.*

Mr. Knowles: I hear cries of "carried" from the other side, but hon. members know that we on this side are strongly opposed to section 2. I see no reason why the setting of the salaries of the civil service commissioners should be taken out of the statute and given to the cabinet. As the minister knows, we have made this view crystal clear on other occasions, and there is no point in taking up time just now unless by doing so we can persuade the government to change its mind.

I believe this is a retrograde step and one which the government should not ask parliament to take. I suggest that if it is possible for the government to do this with respect to the civil service commissioners, it will be possible for them to come along next year or the year after with a similar bill with respect to the salary of the Auditor General or the salary of the chief electoral officer. I serve notice now that if this precedent is followed with respect to other officers in the same category we will fight it even more lengthily and even more strenuously than we have fought this bill.

We feel that the point just made by the Minister of Public Works is one that should be underlined, that this body should be completely independent. I do not see how they can have the same independence they now have when instead of their salaries being fixed by a statute of parliament they are to be fixed by one group, namely the government. We have not had any satisfactory explanation as to why this change is being made. I presume an increase in the salaries of the civil service commissioners is in prospect, otherwise we would not have this change at this time. If an increase in salaries is in prospect, I think the government should come out in the open and do it by amending the statute. As has been pointed out by the Auditor General, the statute needs to be amended because for several years the civil service commissioners have been getting their salaries in part by virtue of the statute and in part by virtue of an item in the estimates.

Surely the thing to do was to put whatever salary was regarded as right and proper in the statute rather than doing it in this way. As I said the other day, the issue that concerns us is not the amount of the salary. If there is a need to increase these salaries, well and good; but let us have a case made out for that need. Let that case be made out on the floor of parliament rather than within the four walls of a cabinet meeting, to be followed by a decision by order in council. I suggest most strongly that this section should be deleted.

Mr. Macdonnell (Greenwood): I wish to add just a word to what I said before. I submit that no adequate reason has been given for this change, in fact nothing that could be called a reason has been given.

Mr. Knowles: No reason at all.

Mr. Macdonnell (Greenwood): I think that can be said, no reason at all. I can see no justification for this. It seems to me that these commissioners ought to be left with the utmost independence. How do we seek to make independent those whom we most of all wish to be independent, namely our judges? Do we allow the government to fix their salaries? No; we fix them here.

Mr. Browne (St. John's West): Why is not the statute being amended in such a way as to bring the salaries paid to these commissioners up to date. For example, it could be provided that there shall be paid out of the consolidated revenue fund of Canada to the chairman a salary of $12,000, and to each of the other commissioners a salary of $10,000, which salaries they are receiving at the present time. Will the minister please explain why he has not amended the statute in that way instead of asking that this power be given to the governor in council?

Mr. Fournier (Hull): Those who have just spoken on this section have suggested that they have received no explanation, but I would point out that when we were discussing the resolution on December 12 I gave all the reasons we had, as reported on pages 1842, 1843 and 1844 of *Hansard.*

Some hon. Members: Oh, oh.

Mr. Fournier (Hull): They do not seem to be convincing. I hope hon. gentlemen do not want me to repeat those reasons because I have stated them twice already.

Mr. Knowles: Give us a real reason.

Mr. Fournier (Hull): That is a matter of opinion. I could repeat the speech I made the other night but, unlike so many others who do it, I am not in the habit of doing that.

Mr. Noseworthy: I want to protest against this section. I am confident that hon. members of this house must realize that this section vitiates the basic principle upon which the civil service commission was set up. It was set up originally to remove the civil service from government patronage. As long as the cabinet has the authority to fix the salaries of the civil service commissioners they hold the whip hand over the civil service commissioners, which brings the whole civil

service back under political patronage. Just what salaries has the government in mind to pay these civil service commissioners? Is it something they are afraid to announce to the house? If not, then there is no justification for not leaving it as it was, subject to statutory regulation.

Mr. Macdonnell (Greenwood): I have been reading the reasons the minister gave the other night, and on looking at page 1842 of *Hansard* I find that they begin very well indeed. The minister said:

I believe that on December 4 I certainly made a blunder—

Mr. Knowles: Not only on December 4.

Mr. Fournier (Hull): Just continue; the hon. member must be fair.

Mr. Macdonnell (Greenwood): I was going to read on.

Mr. Diefenbaker: Is there a period there?

Mr. Macdonnell (Greenwood): No, there is no period. There is more to come, and I quote:

I believe that on December 4 I certainly made a blunder by informing the house of the contents of the bill.

Mr. Fournier (Hull): It was out of order.

Mr. Macdonnell (Greenwood): The minister continued:

That is due to my inexperience, but I thought that by giving details I would get the resolution through.

The minister went on to say that he had lost that illusion; then he proceeded to give some reasons and he continued:

Perhaps my reasons do not appeal to the hon. gentleman, but I know they appeal even to the members of the civil service commission.

That seems to be a good observation; I think that is probably quite true. Then the minister went on to say that the commissioners would not be affected in their sense of fairness by increases or decreases in salaries. Nobody has suggested that they would. The minister continued:

We wish to have the power to extend the tenure of the chairman and commissioners.

That is no reason for this section. Perhaps the minister can give other reasons that I have not been able to find in what he said before. Up to the present they do not seem to me very convincing. I hope he may still let the daylight in and not make another blunder by having this section passed.

Mr. McLure: What are the qualifications for appointment as commissioner?

An hon. Member: A good Liberal.

An hon. Member: A good Grit.

Mr. McLure: If we knew what qualifications were necessary many in this house might be making application. I should like to know what the qualifications are. Does he have to be a retired judge, a sitting judge who wants to get a better position, a lawyer, or what?

Mr. Fournier (Hull): In my opinion the first qualification is a spirit of independence.

Mr. McLure: You are taking that away from them now.

Mr. Fournier (Hull): No. The hon. member for Greenwood said he agreed with me that an increase or decrease in salary would not affect the fairness or competence of the commissioners. I have always thought that the first qualification required in a commissioner, and especially in the chairman of the commission, is that he would be independent even of the speeches we make in the house. The commissioners just follow the law, apply the merit system which is the basis of our Civil Service Act, and fulfil their duties to the best of their abilities.

Mr. Macdonnell (Greenwood): The question is, who is going to apply it?

Mr. Fournier (Hull): I suppose they must have some education in order to be appointed. I believe they would need judgment. They would need to know something of human nature, and in the exercise of their semi-judicial duties they should be above pressure. They should be above personal sentiment and render justice to every candidate with ambitions to become a servant of the people.

Mr. McLure: What degrees do they require from a recognized university? In nearly every decent job advertised now by the commission the qualifications contain the provision that the applicant must have a certificate from some recognized university.

Mr. Fournier (Hull): I do not think you will find that is required in the appointment of the commissioners.

Mr. McLure: No; you will appoint them if they have no education, as long as they have common sense.

Mr. Fournier (Hull): I can say one thing. I hold the three commissioners of the civil service commission in very high esteem. I think everyone will agree they are well qualified to fulfil their duties. If there is anything defective in the act, that may be corrected; but with respect to the present commissioners I bow to their fairness, good judgment and the way they have handled a very difficult situation in the last ten years.

Mr. Brooks: They will not be there for all time.

Mr. Fournier (Hull): With the increase in the activities of the government they have had a very heavy load. In answer to the hon. member for York South, I do not think the government has in mind destroying or vitiating the Civil Service Act. The other evening I gave the reasons we were presenting this measure, and I do not see why people object so much. There are only two civil servants who are appointed by parliament and whose salaries are covered by statute, with the exception of the judges, as has been pointed out.

Mr. Knowles: And the board of transport commissioners.

Mr. Fournier (Hull): I am asking myself if parliament with all its duties, functions and obligations, would have the time to make all appointments to higher positions in the civil service, and to make a study of the salaries that should be paid to all these people. I can see the sessions going on and on if we undertake that task. I think the government has the responsibility for these appointments. If they are bad appointments we certainly will suffer. If we do not pay them a salary that compensates them for the work they do, we will still be blamed because that is one of the duties and obligations of the government, which are not exactly the same as those of a legislative body.

Mr. Browne (St. John's West): Will the minister state what salary he intends to pay?

Mr. Fournier (Hull): I avoided answering that question, but the moment the government decides to increase the salary we will be only too pleased to announce it to the hon. gentleman.

Mr. Browne (St. John's West): But you will do that after the house closes and we will not know anything about it for another two or three months.

Mr. Fournier (Hull): The way the hon. gentleman puts it he wants to fix the salary the government would pay by order in council, and I do not think that is the proper procedure.

Mr. Noseworthy: The minister indicated a few minutes ago that the chief qualification of a civil service commissioner was his independence. Does the minister or the government consider that the application of this particular clause, whereby their salaries are contingent upon a decision by cabinet, renders the civil service commissioners more or less independent?

Mr. Fournier (Hull): I say to the hon. gentleman that if a man reaches the stage in life where he is considered qualified to occupy one of the highest positions we have to offer, that of chairman of the civil service commission—or of a commissioner—and is affected by a decision of the government to increase or decrease salary, I do not think he is fit for the position.

Mr. Diefenbaker: That is just one of the arguments why we set the amount of judicial salaries and make it so that they are not subject to change in that way, in order to maintain the integrity of the bench and its freedom from any control whatsoever on the part of the executive for the time being. That is recognized. I am sure the minister does not require any proof in constitutional works, but that is one of the main reasons given why their salaries shall be fixed by parliament and shall not be subject to the intermittent wishes of the government in power.

I have listened to the explanations given by the minister, and the last one was interesting. It apparently was that this is one of the first steps along the way of reform in bringing parliament to the position where it will do its work more expeditiously. In other words the minister indicated that if the power to fix salaries were left with parliament as in the past it would result in the delaying of parliamentary business. That is hardly an argument at all. Surely the minister and the government must have something in mind with regard to this change because on the face of it this has all the appearances of striking at the integrity and independence of the civil service commission, and placing the commission in a position where it will be subservient to the government in power.

Mr. McLure: When I referred to qualifications I had in mind qualifications for appointments to be made in the future. I have no objection to the qualifications of the present commissioners, and I do not want to be misunderstood in that regard. With respect to the question of the salaries of the commissioners, however, I take the same objection I did the other day when the salaries of certain court officials were being raised. I have pleaded on many occasions in the house for an increase in the amount paid to railway and other pensioners who are on a starvation allowance for the rest of their days. I could not get even a dollar for them, and I think the government is making a mistake in voting thousands of dollars to men who already have high salaries. They should give the money to those who need it at this time. They should pay it out of their wonderful $600 million surplus. These men should be given consideration as well as those in higher positions. The Minister of Transport and the

Minister of Public Works know there are men retired from departments and organizations under their jurisdiction who have to get along on $28 to $39 a month. They have to live on it. On the other hand these salaries amount to over $50 a day.

Mr. Knowles: Mr. Chairman, I want to say that I was glad the Minister of Public Works paid tribute as he did to the work of the present civil service commissioners. We all join with him in that tribute. We would like to make it clear that nothing we say in this debate either reflects on them in any way or raises any issue so far as the present incumbents are concerned. We are not even questioning the practice of the appointment of civil service commissioners being made by the government, any more than we question the practice of the government appointing the judges of this country.

But I want to say also, Mr. Chairman, that the issue in this debate as I see it is not the amount of the salaries that may be paid to the commissioners. My supposition is that after this bill has been passed and given royal assent, there will be increases for them. In view of the other increases being made, I do not doubt but what a case for such increases could be made. But that is not the issue. The issue is the way these salaries are determined. Should they continue to be determined as they have from the year one, by parliament through a proper statute, or should they be turned over to the cabinet for decision by the governor in council. The Minister of Public Works had a great deal to say about this in answer to our question. He has been drawn into the debate and drawn into making blunders, as he says. He has given what he said were his reasons. I have dealt only with what some of us on this side believe to be a cardinal principle, namely that the auditor general, the chief electoral officer, the board of transport commissioners, the judges, and the civil service commissioners should have their salaries fixed out in the open by parliament as a whole.

Mr. Macdonnell (Greenwood): I just want to ask the minister a question or two. Will he apply this argument which he wants us to accept for the civil service commissioners to the judges? The minister shakes his head. Then all I can say is that he has said nothing to make me understand why he would not do it in that case if he would do it in this case.

Mr. Browne (St. John's West): I notice that the salaries of the ministers are fixed by statute. Would the minister consider an alteration in the law so that ministers of the crown could have their salaries fixed by themselves?

Mr. Hodgson: Following up what the hon. member for Lake Centre said, there is no doubt that the fellow who signs the cheque always has something to say—

Mr. Fournier (Hull): Parliament signs the cheques for the money.

Mr. Hodgson: Parliament signs the cheques authorized by the cabinet.

Mr. Fournier (Hull): But the estimates are approved by parliament.

Mr. Hodgson: If you will take section 38(c) out of the act—

Mr. Fournier (Hull): We are not discussing that.

Mr. Hodgson: The way it is now it really puts a ball and chain on the civil service commission.

The Chairman: Shall the section carry?

Mr. Knowles: On division.

Section agreed to.

The Chairman: Shall I report the bill?

Mr. Knowles: On division.

Bill reported.

GRAIN

PROVISION FOR SHORT-TERM CREDIT TO PRODUCERS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a bill to make provision for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties, arising from inability to complete harvesting operations or to make delivery of grain, through bank loans guaranteed by the crown with limitations including a limitation to the effect that the liability of the crown to pay losses will not exceed $5 million; moneys payable under the act to be paid out of the consolidated revenue fund.

He said: Mr. Speaker, there will not be time between now and the period of recess to make my full statement. If it meets with the approval of the members I should like to call it 6.15 and make my statement afterwards.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Howe: Mr. Speaker, as indicated by my own statement to the house on October 30, and again by the Prime Minister (Mr.

St. Laurent) on November 5, and in a further statement by myself on November 15, the government has under consideration the question of whether financial assistance to certain producers in the prairie provinces is necessary, and if so, the manner in which such assistance should be provided. I want to emphasize that in the government's consideration of this matter we have recognized a continuously changing position and a continuously narrowing need for temporary assistance.

It was considered by the government and it is considered throughout the prairie provinces that the major problem confronting western producers who have been unable to deliver significant quantities of grain in the present crop year will be met in the distribution of surpluses from the 1950-51 oats, barley and wheat pools. These payments will be completed within a few days and, as I have indicated to the house, have aggregated about $130 million. We must not underestimate the importance of these payments from the standpoint of improving the cash position of grain producers under the circumstances which have prevailed this fall.

The problem has also changed in that threshing has been proceeding in spite of adverse conditions, and the volume of unthreshed grain has been substantially reduced in the past four or five weeks, particularly in the province of Alberta. When I was in Alberta last week it was estimated that well over one-half the Alberta wheat crop had been threshed, and threshing was proceeding in many areas. In Saskatchewan, where threshing is still going on, 75 to 80 per cent of threshing is completed; and in Manitoba threshing is finished except for an area in the northwestern part of the province. In this respect, therefore, there has been some improvement, although many producers in Alberta and to a lesser extent in Saskatchewan have crops still in the fields.

The position has been changing in another respect. Up until October 25, producers in the prairie provinces had marketed 195 million bushels of grain. As at December 6 they had marketed 291 million bushels of grain, a very substantial increase in marketings over the past six weeks. These increased marketings have been made possible largely through shipments of grain out of country elevators. Up to October 25, shipments of grain out of country elevators had amounted to 150 million bushels. Up until December 6, shipments of grain from country elevators amounted to 241 million bushels. You can see, therefore, that in the last six weeks grain shipments out of country elevators amounted to 91 million bushels, and these shipments mean more opportunity for producers to deliver grain.

Since mid-October it has been necessary for the railways to concentrate their shipping to some extent at least on stocks of wheat which were most readily available to the lakehead and to the Pacific coast. This was necessary in order to meet urgent export commitments entered into by the Canadian wheat board. On November 21 it was possible for the wheat board to amend its shipping instructions and give a high degree of preference to the shipment of grain from delivery points which had been congested for some time, and to the shipment of tough and damp grain which producers had not been able to deliver in volume to their country elevators. Under these shipping instructions I am quite sure the delivery opportunity of many producers in the west is improving and will continue to improve. When you look at these developments, I think members of the house will agree with me that the need for some plan of interim financing for grain producers has steadily decreased and, of course, will continue to decrease as threshing and shipping of grain proceeds.

While in the west I also had a viewpoint expressed to me by producers themselves that while they have had an unfortunate fall in so many respects, they are able to carry on without difficulty after having experienced a series of fairly good crops and good prices for grain and livestock and livestock products.

In spite of all I have said there are producers who, because of delayed uncompleted threshing, have been able to deliver little or no grain this year, and there are also some producers whose deliveries have been restricted by lack of available storage space in country elevators. Therefore the government feels that a restricted problem does exist, and has decided to make advances available to producers in these circumstances. These advances will be made through the chartered banks. In seeking the proper course of action, discussions were held with country elevator operators in the three prairie provinces. The elevator companies were most helpful in their consideration of the problem, but the government has decided that it would be more appropriate to use existing financial institutions whose business it is to lend money rather than to ask the elevator companies to assume the responsibility of lending money provided under a government guarantee.

Under the plan which the government is proposing the banks will operate under an arrangement similar to the Farm Improvement Loans Act. That is, they will make

loans on their own account to farmers, and the government will stand prepared to meet losses up to 25 per cent of the loans made. This guarantee is larger than under the Farm Improvement Loans Act because the risks are greater, and about the same as under the Veterans Business and Professional Loans Act. The banks will be able to call upon the government to implement its guarantee on October 1, 1952, after there has been an opportunity for deliveries to be made from the 1952 crop as well as the current crop. The loans should, however, be fully repaid out of the proceeds of the 1951 crop.

Since the loans are intended only to provide some cash for a limited period to those farmers who have been unable to deliver any significant volume of grain, it is proposed that the limit shall be $1,000 to any one farmer. In making individual loans, the banks will take into consideration the quantity of unthreshed or threshed grain which producers will have for delivery when their threshing is completed or when elevator space is available. The banks will also take into consideration deliveries which producers have already made in determining the amount of individual loans. Within the maximum provided, the amount of money which will be loaned in each individual case will be determined by the banks on the basis of their experience and judgment, and of course the banks will bear in mind the considerable guarantee which is being provided by the government of Canada. It is the intent of the plan that these temporary loans will be repaid just as fast as producers can deliver their grain.

May I conclude this explanation by saying that these loans are not in any sense to be regarded as a form of relief. They are interim advances made available at commercial rates of interest to producers who have grain on their farms or who have crops which they have every reason to believe will be harvested in due course.

I hope and believe that the provisions of the bill that will be founded on this resolution will solve the financial difficulties of those producers who have been unable to harvest and market sufficient of their crop to provide for their interim living expenses. I am happy to say that the number of producers in that position is growing smaller each day, but there are still certain areas where the credit to be made available will relieve a situation that might otherwise result in considerable hardship during the coming winter.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, the statement made by the minister respecting the advances to be made to western farmers has been long anticipated and long delayed. While welcoming the general principle in connection with the basis upon which these advances are to be made, having regard to the situation on the prairies, I think the amount of the guarantee by the government, $5 million, is palpably and obviously inadequate to meet the situation that exists. The maximum of $1,000 would appear to be fair and proper. However, the total amount of $5 million to be guaranteed to the extent of 25 per cent will not, as I see it, meet the situation on the prairies.

The minister is in a better position than a member of parliament, without the statistical and other information available to him, to see what the situation is. The minister has said that approximately 80 per cent of the crops on the prairies have been threshed in the province of Saskatchewan. I think the situation generally is this. The total percentage of grain that has been threshed is approximately 72 per cent, and about 28 per cent still remains either standing or unthreshed, about 13 per cent in the swath and 15 per cent still standing.

The minister has indicated that conditions have improved, and that as the weeks have gone by the situation, to use his words as I took them down, has been continuously changing and the need has been narrowing. True enough, the payment on account of the 1950-51 pool has been helpful in relieving the situation in many parts of the western provinces. But one cannot expect that the threshing will continue at the rate it has been proceeding in recent weeks. If my figures be correct they mean that almost 30 per cent of the wheat in the province of Saskatchewan, and I think generally speaking on the prairies, is unthreshed.

The minister mentioned that there are areas in which the farmers have been able to market but a small part of their production, first because their threshing or harvesting is not done, and second because of the shortage of available storage. That is true. While this is a step in the general direction that we on this side of the house have been advocating for the last two or three months, it does not go far enough and does not meet the situation that exists. I can see no risk in connection with loans on wheat in storage on the farms. Wheat is wealth. It is good security. That security can be taken by the bank at any time once the loan is made. There is no risk in the guarantee by the government of loans against wheat that is in storage.

For the last several months Mr. Alvin Hamilton, the leader of the Progressive Conservative party in Saskatchewan, has been advocating something very similar to what is now adopted by the minister, with this

exception: that the amount should be at least twice if not three times that now to be guaranteed by the government in order adequately to meet the challenge to the economic solidarity of the western provinces.

The minister has mentioned that promises have been made from time to time that the problem would be considered. This is not a problem that has originated in the last few weeks. It is due in large measure—that is, excepting for climatic conditions that have prevented the harvesting of the crop in many areas—to the failure of the wheat board to realize that with over 100 million bushels of damp wheat in storage on the prairies from the 1950-51 crop, when this fall's crop became marketable there would be no available facilities for storage. The responsibility cannot be placed on the shortage of box cars, nor on any other explanation that has been made. It is not because of a shortage of railway transportation. I make that statement because of a joint statement that was issued on the tie-up in the movement of the present record crop, issued about September 20 by Mr. George McIvor, the chief commissioner of the wheat board, and Mr. R. W. Milner, the federal transport controller. In that statement the railways were not held responsible for the congestion. The railways were exonerated in these words:

> Full use cannot be made of presently available transportation and lake tonnage.

Then it points out:

> There is no lack of box cars.

The reason for the congestion is the large quantities of the 1950 frozen, low-grade wheat lying in the country elevators and in the terminal elevators at the head of the lakes, Montreal and Vancouver. Because of the unavailability of storage which should have been provided, farmers found themselves unable to market that which they had harvested, and climatic conditions accentuated the condition in that it prevented harvesting, threshing or combining in many areas on the prairies.

While a step has been made in the right direction, I feel that the amount of the guarantee holds out a greater hope than will be realized when the matter is actually applied and the loans given in accordance with the terms announced by the minister. I can see no reason why there should have been a restriction to $5 million; for, I repeat, I can see no risk so long as the advance—and I used the minister's word "advance"—is expressly made applicable to threshed and stored wheat.

Mr. Howe: I suggest to the hon. member that the full amount will not be used.

Mr. Diefenbaker: That is possible because, after all, the banks are the ones that will determine whether or not any advances are made to the farmers; and if the banks have not felt like making advances up to the present time against the security, the 25 per cent guarantee will not result in the acceleration of any desire on the part of the banks to make loans at the present time. What the minister says may be perfectly true; no doubt it is.

I now come to another matter with which I had hoped the minister would deal, although he has denied on more than one occasion that the government had any intention of making payment to the farmers for the storage of wheat on their farms. Since he made those statements he has visited the western provinces. He attended the farmers union convention in Saskatoon. According to the press, he met them in a most congenial manner, and in keeping with his best tradition when meeting farm delegations. The farmers ask that payments be made for the storage of wheat on the farms. There would be no cost to the Canadian people in accepting that idea. After all, if it were not for the fact that the storage facilities in both the line elevators and the elevators at the head of the lakes were congested by unmarketable tough or frozen wheat of the 1950 crop, most farmers who did their threshing or combining this fall would have hauled their wheat to market immediately. I repeat that it was not a shortage of box cars but the allocation of available cars that resulted in the wheat being piled up on the farms.

If the wheat had been stored in the elevators the price the farmer would ultimately receive would have been subject to the deduction of the monthly amount allowed for storage. If the farmer stored the wheat on his farm he should be paid what otherwise would have been paid to the elevator companies. I know the government is adamant in this regard, but there is a strong feeling everywhere on the prairies that even at this late date something should be done to provide payment to the farmers for the storage of wheat on the farms.

I now come to the third matter, and that is in connection with the farmer who has not been able to thresh his crop, whose crop today is either standing in the fields or lying on the ground in swaths. I am not suggesting and I have not at any time suggested that there should be loans made on crops under those conditions, for there would be a considerable risk.

Mr. Howe: Yet we are doing it.

Mr. Diefenbaker: I am sure the banks will make no advances against wheat lying on the ground, having regard to the probable toughness of that wheat next spring. I think in a case such as that there should be some provision whereby payments similar in nature to those under the Prairie Farm Assistance Act would be made available to farmers. I am sure of this, that if a farmer goes into the bank and says "I want to get an advance of up to $1,000 on 200 acres of wheat lying in swaths, and 100 acres that is standing unthreshed in the field," regardless of the 25 per cent guarantee on the part of the government that farmer will have made a fruitless visit to the bank, unless his credit is so high that the 25 per cent guarantee would not be necessary in any case. I am suggesting something in the nature of the payments under the Prairie Farm Assistance Act. Legislation analogous to that would cover the situation.

I am not going further into the question at this time. Generally speaking what has been done is a step in the right direction. However, I do not think it holds out much hope for the western farmer who finds himself in a predicament today, first of all because of government failure to realize in May, June and July the probability that our crop would be one of the greatest in all history. Having realized that, one would expect the government to have made provision for the removal of many millions of bushels of wheat glutting the elevators, making those elevators available to the farmer for his marketing.

The situation is serious. The minister has seen it at first hand. No one who has not seen it can realize what it is. I have spoken to one or two members from Ontario who in recent months have travelled to the west, and they tell me that if they had not seen what they did see they could not have realized just how serious the situation is. What is being done through the announcement of policy by the minister I am sure will cause no loss to the Canadian treasury. It could have been brought into effect—I say it should have been—weeks ago. No doubt there would have been earlier consideration, had the event that took place about one week ago been set a month earlier. A step is being made in the right direction. I believe in commending where commendation is due. In making this criticism, I couple with it commendation of the government for having made provision, even though it is too little, and much too late.

Mr. P. E. Wright (Melfort): Mr. Speaker, in common with the hon. member for Lake Centre (Mr. Diefenbaker) who has just taken his seat, I agree that this is a step in the right direction. As he has said, few people in eastern Canada realize the disappointment farmers in western Canada have faced in the last two years.

Last year we had one of the best crops we had ever grown, but we found in August that it had seriously deteriorated through frost. In fact the loss ran into millions of dollars. In the part of the country I represent many farmers did not realize anything from their crops. Large areas were completely frozen, and the crop had to be burned this spring.

This year our crop came through in most areas without serious damage from frost, though there were some isolated areas where the crops were frozen. But again we found we were unable to harvest this crop. In the northern part of the province, in the Carrot River valley, the northern part of the Meadow Lake country, and the Prince Albert country, we knew on November 15 there would be no more threshing. A large quantity of snow had fallen by that time, and it would have been most extraordinary indeed had we been able to thresh any of the crop that remained out. That was a large percentage of the crop. I believe I am speaking conservatively when I say that in that area only 40 per cent of the crop has been threshed, and 60 per cent is either lying in swaths under the snow or is still standing.

What will be realized from that, no one knows. Due to the fact that it was an extremely heavy crop, we do know that the chances of harvesting it in the spring will be that much less. The grain is lying on the ground so flat that, having regard to the state in which the snow will leave it in the spring, it is most doubtful whether it can be combined. As the minister has stated, it is true that the final payments by the wheat board for last year's crop will help a great deal in many areas, but there are many people who lost last year's crop and therefore have no payments coming from the wheat board.

In many areas in the northern parts of Saskatchewan and Alberta there are farmers on new land who have only from 20 to 100 acres under crop. The most they could receive from the payments on last year's wheat crop would be quite small.

I should like to say a word in commendation of the wheat board's method of handling grain. I think the wheat board did an excellent job in marketing the 1950 crop. I have heard it stated by many farmers in western Canada that if it had not been for the orderly marketing under the wheat board they would have received from 25 to 50 cents

less per bushel for their lower grades. I think we should commend the wheat board for the manner in which they marketed last year's crop.

These final payments are not going to take care of the small farmer in the northern part of the provinces, nor do I think this loan will take care of him. In many cases the small farmers are some distance from the towns, and they have not been in the habit of getting loans from the bank. They have never been in the position where they could go to the banks and obtain loans because of their small acreages. Under this guarantee they will be able to go to the bank manager for the first time, but my opinion is that their chances of getting anywhere near the maximum loan will be small indeed.

I am afraid that in many cases they will be unable to repay it. I think some provision should be made whereby a farmer who had a total crop loss would not be asked to repay this loan. In many cases up there the crops are going to be a total loss, and that will mean the loan will have to be carried over for another year. As I say, I think where the crop is a total loss some provision should be made that it will not be necessary to repay the loan from the 1952 crop.

I am not so much worried about the farmer who has three, four, five or six hundred acres under crop because in most cases he can take care of himself. He will have payments coming from last year's crop and will be able to carry through, perhaps with a small loan which he would be able to get under this legislation. But I am afraid that many of these smaller farmers are not going to benefit from this loan because, as I said, they have not been in the custom of dealing with banks. The bank managers do not know them and do not know whether their land is good or not. Naturally they will hesitate to make loans to those people. The minister did not state what the interest rate on the loan would be but I suppose—

Mr. Howe: The commercial rate.

Mr. Wright: Five or six per cent when it is borrowed from the bank. Again I do not think that is sufficient, especially in the case of the small farmer whose crop was a total loss last year. The minister has indicated that he does not think the full amount guaranteed will be used. I think that will depend entirely upon the policy of the banks. If they are fairly liberal in making these loans, it is quite possible that the full amount will be used.

Mention has been made of small loans under the Veterans Land Act being similar to these, but I do not think they are. This is a different type of loan. Those other loans were not made to people who were suffering under the disabilities of the small farmers in the northern parts of the provinces. Not only should we have legislation on a more liberal basis; I think the government should have brought in legislation with regard to farm-stored grain. The hon. member for Lake Centre (Mr. Diefenbaker) mentioned that, and the hon. member for Assiniboia (Mr. Argue) brought in an amendment to the speech from the throne asking that there be an advance on farm-stored grain of up to 75 per cent of the initial payment. I believe if that type of legislation had been in effect we would have had a more orderly marketing of our crop than we have at the present time.

It is true that for the last two years the wheat board have been anxious to get deliveries of grain to meet their commitments and the necessity for this type of legislation has not been so apparent. But if we had had good weather this fall and had been able to thresh our crops in a normal way, a large percentage of that crop would have had to remain on the farm or there would have been one of the worst gluts that has ever occurred as far as transportation is concerned. Everyone would have been trying to market his grain just as quickly as he could. Until we have some permanent arrangement for payments on farm-stored grain that condition will prevail in any normal year. I ask the minister to give serious consideration to devising some method of making payments on farm-stored grain.

With regard to this particular piece of legislation, as I said before we are glad to have it. It will help in some cases, but I do not think it is going to help a great many of the farmers with small acreages who have not been dealing with banks and who are not known to the bank managers. Those bank managers will hesitate to make loans to them. If there were some provision that in the case of a total crop loss the loan would be paid in full out of the $5 million guarantee, then I think the banks would be freer in making loans to the type of person whom I am sure both the minister and the Minister of Agriculture (Mr. Gardiner) would like to see helped under this legislation. I ask them to give serious consideration to making some arrangement with the banks whereby those people who have a total crop loss will not have to repay their loans.

Mr. Robert Fair (Battle River): Like the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Melfort (Mr. Wright) who have preceded me, I am glad the Minister of Trade and Commerce

(Mr. Howe) has introduced this resolution tonight. I am only sorry it was not done five or six weeks ago. Had that been the case I believe many farmers would be enjoying a much happier Christmas than they will be able to do under present circumstances.

Many people do not realize that in large areas in the prairie provinces this is the second year in succession when crops have been lost during the winter months. The minister has stated that conditions are changing continually, but I do not think they are improving very much in many sections of the country. I understand that some threshing has been carried out during recent weeks in the southern part of Alberta, but they have the chinooks down there which are frozen up by the time they get to the northern part of the provinces of Alberta, Saskatchewan and Manitoba. As far as I know very little threshing has been done in my part of the country, and I am not as far north as many other farmers. The final payment on the 1950 crop has helped to a considerable extent, but here again I think many hon. members do not realize that the farmers were in debt and have been waiting for some little time to pay off their debts with the 1950 final payment. Therefore that money will not last long. It is all promised to merchants and others. Perhaps it will have to be used for paying back taxes. Therefore nothing will be left to take care of 1951 crop expenses. Many people also do not realize that the farmer's crop is his pay cheque for the whole year. By some method he has to finance the putting in and taking off of his crop and so on, and until he receives payment for his grain he is not in a very happy position.

I realize that shipments of several million bushels have been made recently, but so far as the farmers are concerned in most cases they received payment on that grain some time ago. That will not help them to a very great extent. The minister also stated that many farmers are able to carry on because they have had good crops and good prices. I think the minister knows a little better than to try to tell us that the farmers have had good prices in the past. Perhaps they are good when compared with the depression years of the thirties, but if the minister or anybody else will consider the cost of the things the farmer has to buy in order to produce then it should not be hard to understand that grain prices are away below what they should be.

With respect to loans, I feel that the banks are the proper agency to make them. It has been suggested by some that the Canadian wheat board should advance loans to farmers. If that proposition had been put forward I would have likely been the first to say we should not do business that way. The business of the wheat board is selling grain, not carrying into effect emergency policies of the government or other matters of that kind. Concerning the amount of the loan, $1,000 to each farmer, I am not quite sure whether that will be sufficient in some cases. In most cases I believe it will be, but I think the bank managers, who are experts in their fields, should be given some leeway in order that they might extend a little more credit to a farmer who had a good crop but has not been able to harvest any of it.

In the past bank managers have been doing a good job so far as guessing what the farmer will do is concerned because they do not only take his assets into consideration. They also consider his record of past performance. If he has been doing his job and repaying his loans in the past then I think the government might allow a little leeway over and above the $1,000. Where a farmer's crops are under snow at the present time, in addition to having the expenses of that crop he will have to have enough money to buy seed for the 1952 crop. If I were sowing seed again on the land I do not think I would take a chance on grain that had been under the snow all winter. That means the farmer has to have the cash to buy his seed somewhere else.

I am also glad the minister made it plain that this is an interim advance and not a gift to the farmer, because many people are ready to jump at any excuse to pin something on the farmer when it comes to receiving money from the Dominion of Canada. If the farmers were given full credit I think it would be established that they are the ones who have been making gifts to the rest of Canada rather than accepting them in the past. I believe figures can be produced to demonstrate that fact. The farmers are honest. I believe their record is as good as that of any other occupational group. A return brought down recently having to do with farmers' income tax showed that in the years 1945 to 1950 inclusive only two prosecutions took place for evasion of income tax and just one conviction was secured. That indicates they are honest.

Some farmers will be unfortunate enough to lose their crops. Before they can be harvested in the spring they may be flooded out or destroyed by mice or other animals. In that case I would suggest to the Minister of Agriculture (Mr. Gardiner) that P.F.A. or some such assistance be granted to them.

When the minister was in Calgary and Saskatoon recently he made two statements with which I cannot agree. One had to do with the recent $65 million gift to the farmers of the prairie provinces. The minister realizes quite well that if the farmers had been paid the class II price for their grain during the period covered by the $65 million they would have had another $367 million in addition to the $65 million. In the same period they also subsidized Canadian consumers by supplying wheat to the millers at a price below what they would have received for it as class II wheat, and another $137 million should be added for that.

I believe these things should be taken into consideration when dealing with the problems of the farmers. In Saskatoon the minister said he would refuse to change the domestic price. He may have also said that in Calgary, but I did not see that report. I think we should no longer ask the farmers to give one-third of the price of their wheat to the Canadian consumer. Absolutely no case can be put up to support such a policy. I hope the government will change it without delay, and give the farmers what they are entitled to for their grain. Everybody realizes that the cost of machinery, wages and everything else for which the farmer has to pay has increased by 200 to 300 per cent over the past years. If we had had the kind of policy we should have had most of our farmers would have had a little reserve set aside so that a crop failure in one year would not have put them in the circumstances in which they find themselves at the present time. I may have more to say on this matter when we get into committee.

Mr. J. A. Ross (Souris): Mr. Speaker, first of all I should like to say that I think this is a step in the right direction, but like previous speakers I believe the provision is quite inadequate. Today I have been studying the report of the dominion bureau of statistics issued on December 13, 1951, dealing with the value of the wheat crop by provinces. Based on their figures the preliminary payment for wheat would indicate a value all told in the three prairie provinces of approximately $600 million. That is on the basis of the initial payment. As I understood the Minister of Trade and Commerce (Mr. Howe), he said that about half the crop was still out in Alberta, 25 per cent in Saskatchewan and a very little in Manitoba. On the basis of these figures founded on the initial price this would mean that the value of the crop still unharvested is approximately $175 million.

Therefore hon. members will readily see that the guarantee of $5 million is less than 3 per cent of the value of the crop which farmers still have unharvested. It is very small. The minister said that prevailing commercial rates of interest would apply, and I presume that the rate of interest will be set out in the bill when we receive it. I would think it should be. I agree with previous speakers that there will be many small farmers, who really need assistance, who will find difficulty in obtaining a loan from the banks. The minister says he does not believe the $5 million will be taken up, and that might well be so. In my opinion many of the needy farmers will be unable to obtain assistance under this scheme. Officials of the minister's department and others claim that we are going to experience difficulty in transporting our grain because of our present method of harvesting. It is said that the situation in the last two years is not temporary, and that we shall have to revamp our whole system in taking care of future crops. If that be true, and I think it is, then the government should give serious thought to assisting the farmers in storing the grain on their own farms.

As I have pointed out in previous statements in this house, we have the experience of our neighbours to the south who receive loans on farm-stored grain. In fact the United States has already advised the farmers that the initial payment, based on 90 per cent of parity, will be $2.18; and this crop has not yet been seeded. For 1952 no quota is being placed on the acreage because the United States wants full production. The farmers are going to be guaranteed $2.18 a bushel on properly stored grain, plus monthly storage up until April. After that they can turn the crop over to the government or they can sell it at the prevailing market price and pay off the loan. The market price is very much higher than the guaranteed loan of $2.18 per bushel. As at present the federal treasury of the United States pays that difference to the farmers, and it is a very great difference. In fact the difference between what the United States farmer receives in North Portal as an initial price and what the Canadian farmer receives is $1.07 and a fraction per bushel. On December 4 the United States farmer would receive $2.30, on the street at North Portal for a certain grade of grain, while his Canadian neighbour would receive as an initial payment $1.23. That is a great difference.

Our good friends from Ontario receive considerably more than $2 per bushel for their wheat today because they do not sell through the wheat board. The market is higher than that. I feel that, because of the trend that has taken place in Canada over the past few

years, our government should give consideration to the United States system. It is true, as some people would argue, that under this storage system one farmer will simply be paying another for storage through our pooling system. But that is the case today, as the cost of storage paid to the elevators is pooled through the wheat board in many cases.

I think this should be given serious consideration. I know the minister and those people who have been out west will realize that the situation is very much better in Manitoba than in Saskatchewan or Alberta. They will realize how serious it is for these people who have their grain out under the snow. Our sympathies are with them, because they are going to experience considerable hardship. They have their year's expenses to meet. This year the cost of production has been higher than for any year in the history of this country. While we shall have statistics issued showing the great national income of the farmers this year, it should be pointed out that their cost of production has been considerably higher than in any previous year. The cost of farm implements has increased in 1951 by 14 per cent over 1950. In fact there has been an increase of 81 per cent above the level of 1939. The price of fuel oil is increasing, and farm wages are much higher than ever before in the history of this country. All of these factors must be taken into consideration.

I just wanted to make these few remarks at this time. I shall have a few questions to ask when we have the bill before us, but I do request the minister and his officials to give serious study to the possibility of introducing more comprehensive legislation that will assist in the marketing of next year's crop. The departmental officials claim that because of our system of handling grain we are going to have greater difficulties than we have experienced in the past, so thought should be given to that problem.

Mr. H. R. Argue (Assiniboia): Along with other hon. members I want to say that I welcome the announcement made by the Minister of Trade and Commerce (Mr. Howe), concerning the steps the government is prepared to take to deal with the emergency situation in western Canada. As is well known, the problem has two parts. The first is the difficulty of marketing the grain the farmers were able to thresh, and the second is the difficulty the farmers had in threshing their grain. In some parts of the country large acreages are still lying under the snow. The box car situation has indeed been very difficult. At some points in western Canada, as the minister stated tonight, very little grain has been moved. I do want to say that I am pleased that the government appointed a controller. Any shortage of box cars at any particular point which has been brought to Mr. Milner's attention has been dealt with in an expeditious manner. I believe the fact that we have a controller is of material help to western farmers.

So far as I am concerned, I am not in agreement that this was the best method of handling this difficult situation. It seems to me that when any farmer goes to a bank manager to ask for credit, the bank manager must of necessity apply a means test to the farmer's application. In other words if the farmer can show the bank manager that he is a good credit risk, that he has cattle at home on the farm or that he has some grain which he has not been able to sell, the bank manager will likely grant his loan. If he is a small farmer who has been unable to harvest any of his crop, he is the type of farmer the bank manager is most likely to refuse. I believe the best method of handling this situation, which is an emergency situation, would have been to make advances through the elevator companies at the local points, with the government paying the interest and guaranteeing the wheat board against possible loss.

Every farmer in western Canada has to market his grain on his delivery quota book. I believe that farmers are basically honest, and when they have to market their grain on their own delivery quota book the elevator companies would be in the best position to collect the advance. As a matter of fact, Mr. Speaker, I believe that the premier of Saskatchewan, and I would even go so far as to say the municipal officials, the representatives of the federation of agriculture, together with the leader of the Liberal party, Mr. Walter Tucker, believed the government was going to handle this situation by advances made through the wheat board facilities. I have here a press report which appeared in the *Leader-Post of* Thursday, December 6, of a statement made by the premier of Saskatchewan to the Saskatchewan legislature. The report is as follows:

> Every likelihood exists that an advance will be paid farmers for unharvested unthreshed grain on their farms, Premier T. C. Douglas told the legislature Wednesday.
>
> Under such a system, Mr. Douglas said, a record would be kept at the elevator and the payment checked off when the grain was delivered.
>
> A payment of this nature would be different from a loan, he said. It would be treated as an advance and there would be no interest.

The premier said Trade Minister C. D. Howe was expected to make a statement either when he was in the west on a current trip or when he returned to the east.

If an announcement was not made on advance payments at the elevator for undelivered grain, he continued, then a move would be made toward a second proposal.

The second proposal the premier outlined was the proposal for loans to farmers guaranteed by the municipalities, the provincial government and the federal government. But the premier of Saskatchewan, because of the discussions he had with the Minister of Agriculture when the minister made his trip to Saskatchewan, was able to say in the Regina legislature that he felt, following those discussions, that the most likely way it would be done was by advances through the wheat board; and the premier of Saskatchewan supported that kind of policy. The press report goes on:

Opposition leader Walter Tucker said he agreed the advance payment proposal seemed to be the better of the alternatives.

It seemed, he said, to be a "very rational solution or partial solution." Many people would be preferring this to going to the banks and municipalities.

Mr. Tucker said he had made representations to federal authorities to have storage paid farmers who store their own grain at least this year and perhaps as a permanent policy. He had suggested some system of advance.

He believed some thought should be given to payment for farm storage.

I think, in this situation, the Minister of Agriculture knew the best type of policy to deal with the matter. I believe, from the report I have just read to the house, that an advance through the wheat board was the basis on which the discussion was held in Regina. I know, from the statement, that was the premier's impression, and that such a policy had the support of the leader of the opposition. In the resolution the government proposes to guarantee the banks against loss up to an aggregate of $5 million, by guaranteeing 25 per cent of the aggregate loans up to $20 million.

In my opinion, if one read this resolution without knowing the situation in western Canada one might have thought it to be a measure of assistance to the banks in western Canada rather than one of assistance to the farmers. The farmers are not going to get anything for nothing. They are going to have to pay the full commercial rate of interest. The banks are going to get a good return on their loans; and if they have any loss, they are going to have that loss paid by the federal government.

I believe there was a method by which the government could have provided some additional payments to farmers who have undelivered or unharvested grain, that would not have cost the government of Canada a single dollar and still would have more than covered the interest rate that farmers will have to pay. I refer to the payment of farm storage. The elevator companies now receive farm storage from the Canadian wheat board. They are paid at the rate of one-thirtieth of a cent a bushel per day. The elevator companies are now paid 1 cent per bushel per month as a storage payment. That works out to 12 cents per bushel per year. If the average value of the grain on which they were paid storage was $1.00 a bushel, that payment amounts to an interest rate of 24 per cent. If the value of the grain, shall we say, was $1.20 a bushel, then storage at the rate of 12 cents per bushel per year is equivalent to an interest rate of 20 per cent.

I think the farmer who is unable to deliver his grain or who is unable to harvest his grain is entitled to that storage payment. The wheat board made a storage payment some years ago; I believe it was about 1942, during the war, when there was a serious marketing difficulty. Administratively it was exceedingly simple for the wheat board to make that storage payment. All the wheat board had to do was periodically make a small advance in the initial payment for wheat, equivalent to the storage charge. If there had been in the initial price a gradual increase equivalent to the storage charge, the farmer who threshed his grain in the spring, and who had to go all fall and winter without a great deal of revenue, would have more revenue in the spring than he would have had in the fall, on the equivalent number of bushels, to an amount sufficient to cover any loans he might have had to make.

I am glad the government has had the wheat board send out the final payments on wheat, oats and barley. The fact that those final payments were made at an early date and that they were highly satisfactory, when one considers all the difficult circumstances under which the board had to operate, accounts in large measure, I think, for the favourable vote in Manitoba on the coarse grains plebiscite.

I can remember that in the wheat board debate last year I moved an amendment asking the government to wind up the pools within sixty days of the end of the crop year. The minister at that time said the idea of having power to wind up the pool year in a short time was mainly to handle, as he called it, dribs and drabs that had not been sold; in other words, a few million bushels of grain. I am glad the minister has had wound up the oat, barley and wheat pools a short time after the end of the crop year. I think

that is the way it should be handled. I hope that next year, the year after, and the following year the government will consider as a precedent the good job the minister has done in that respect this fall, and will continue to pay out whatever balance there is in the various pools at the end of the crop year, and to make those payments before the beginning of the next calendar year. In his statement tonight the minister said the total of these final payments amounted to some $130 million. He added to that, as far as farm income is concerned, the returns farmers received from having marketed in the present crop year, that is up until December 6, some 291 million bushels of grain. The farmers of western Canada have $130 million as the final payment from the various pools. They have the proceeds of 291 million bushels of grain. I would take it that from all these sources western farmers have received this fall something in the neighbourhood of $400 million.

Mr. Howe: That is correct; yes.

Mr. Argue: The minister says that is a correct statement. I now come to this, Mr. Speaker. The most the banks can lend under this measure is $20 million, which is just 5 per cent of the money the farmers have already received. It would seem to me that if half the crop in Alberta, or nearly half, is still unthreshed, if 20 or 25 per cent of the crop is still unharvested in Saskatchewan, loans amounting to 5 per cent of the total amount of money the farmers have already received will be insufficient to assist in an adequate way those farmers who have been unable to harvest and market their crops.

Most of the suggestions that were made in western Canada in the last two months as to an adequate advance on unthreshed grain amounted to a figure of $10 an acre. If that was a reasonable figure—and it seemed reasonable to me—the $1,000 limit means the farmer who is able to satisfy the bank manager that he is a good risk will be able to get an advance equal to $10 an acre on a hundred acres of crop. The basis on which the Prairie Farm Assistance Act is operated is more generous than that, in that payments are made on one-half the cultivated land up to 400 acres, or payments are made on up to 200 acres of crop. I believe the $1,000 loan the farmer can obtain under this provision is too little for the majority of those farmers who have been unable to harvest their crops. I do not make that statement because I want to criticize this measure. I do so because I do not think $1,000 goes very far on a farm. A thousand dollars does not go very far for anyone, even if their only expense is that of living and providing for their families. The farmer has additional expenses. Most farmers have incurred obligations all through the summer to the local storekeeper and the local fuel dealer. Most farmers now have very large obligations to implement companies. When one considers that, along with these obligations, the farmer will have to provide for his own family's living expenses and other farm expenses, the $1,000 ceiling to my mind is too low. I think the ceiling should have been not less than $2,000.

Before I sit down, Mr. Speaker, I want to impress upon the minister my conviction, for what it is worth, that there should be provision for farm storage. It has been said over and over again that it would not cost the federal treasury a single dollar. If one farmer, because of bad weather conditions, because there is a shortage of box cars, cannot deliver his grain in the fall, I believe he should be entitled to a slightly higher initial payment next spring or early next summer when he does deliver his crop. The elevator companies are now given 1 cent per bushel per month as storage. It has been sufficient to encourage the elevator companies to build large annexes and other additional storage. Out of that 1 cent per bushel per month they have been able to finance the investment cost, cover depreciation and cover interest on the capital investment. If it is fair to pay farm storage to elevator companies it should be fair likewise to pay farm storage to farmers. If that provision were made, Mr. Speaker, then the commercial interest rate that the banks will charge for the loans made under this measure would not be a burden on the farmer. I also think the government should consider—and I hope they will—making a 75 per cent advance on farm-stored grain, not only as an emergency policy for this year but also as a good permanent piece of legislation.

In a word, Mr. Speaker, I welcome the legislation. I would prefer to have seen advances made through the elevator companies at no interest charge to the farmer. But to assist the farmer to pay the interest under the present measure I hope the government will make provision for the payment of farm storage which would be more than sufficient to cover the 5 or 6 per cent rate of interest payable to the banks.

Mr. W. Chester S. McLure (Queens): Since I may not have an opportunity to say a few words when the bill is introduced I should like to take a few minutes now. I am neither a western farmer, a grain grower nor an eastern farmer, but I have listened to the appeals that have been made here since the session

began and my sympathies are certainly with the farmer in the condition in which he finds himself in western Canada. After all, we must look after the farmer. I view the occupation he is engaged in as a great work for the benefit of us all. The farmer is the greatest gambler of any man in business, in the professions or in anything else we have in our communities. He gambles from the time the seed is put in the ground. He gambles on whether he is going to get the proper soil productivity, and also on whether he is going to get good cultivation of the soil. He goes right on gambling to the time of harvesting. He gambles on weather conditions, and worst of all he has to gamble on marketing conditions. Well, it is not quite so bad gambling on the market conditions in the east as it is in the west, because in the east the farmer uses his own experience and smaller organizations in marketing his products. But in western Canada the government takes charge of the marketing conditions, and according to the report we had last year it lost a good deal of money. Someone repeated the statement tonight that the wheat growers, through marketing conditions set up by the government, lost about $300 or $400 million.

Mr. Howe: I thought we settled all that in the Manitoba plebiscite.

Mr. Sinnott: That is nonsense.

Mr. Blackmore: It is not nonsense.

Mr. McLure: I am only saying what western members have said. I, for one, supported the $65 million they got from our treasury last year. I am not making any complaint about that. My sympathy goes out to them again on this occasion, and I am pleased that some guarantee is being given them so they can be ready for the crop season. And, instead of making it a short-term credit, why not make it for a longer term, so they will have a chance to get along until the crop is taken off?

I should like to add some personal observations, the first of which would be that while the farmer is a gambler, the fisherman is a real runner-up. I am proud to see the Minister of Fisheries (Mr. Mayhew) in his seat, after escaping from the communists in Korea. I know he will appreciate what I am going to say about the poor fishermen in my own locality. Last November there was a very heavy storm in that area, with winds reaching a velocity of 70 miles an hour, with extra high tides which broke up practically all the breakwaters, so that the waters flooded in over the beaches and around the homes of the fishermen. It invaded their fishing shanties and their equipment. A large percentage of that equipment was a total loss, so the fishermen are left without the security that would permit them to ask for a loan.

I bring this to the attention of the minister. When we are voting money for the western farmers I suggest something could be done for those fishermen. I know the machinery has already been set up in the Department of Fisheries, so it would take the burden of administration off the shoulders of the Minister of Trade and Commerce (Mr. Howe). This would cost only a few thousand dollars, as compared with the millions that would go to the west. Further, it could be operated through the fishermen's loans board which is already set up. I know the minister would find, upon investigation, that the loss suffered by these poor people has been very great. I know some of them whose homes have been disrupted. They had to leave their homes during the storm. Their shanties, buildings, machinery, equipment, boats, traps, rope and all other gear were lost. Some of it was beaten by the waves against the rocks. Surely those fishermen are deserving of some consideration at the hands of the government. If we are to be generous to the western farmers, then I want to see the fishermen of my constituency in Prince Edward Island receive what is properly their due.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Wright: I should like to pursue the matter of interest rates on these loans. I must admit that it is some time since I have done any commercial borrowing from the banks. For a good many years I knew well what their rate of interest was on loans. The minister has said that it will be the commercial rate. Is that 6 per cent?

Mr. Howe: Mr. Chairman, my hon. friend is now discussing the details of the bill. When it is before the house, all that will be set out. I do not think that at this stage I should discuss what is in the bill.

Mr. Wright: I am only asking the commercial rate of interest at the moment. A principle is involved. The minister suggested that it was something the same as the loans under the small loans legislation for veterans. It will be recalled that in that instance we guaranteed the banks against certain losses; and because of those guarantees the banks made those loans at less than the commercial rate of interest.

In this instance we are guaranteeing a much higher loss than we guaranteed under the measure which dealt with the veterans. I think the same consideration should be given in this instance. If the banks are being

guaranteed up to the total of $5 million, or 25 per cent of their loss, then I think there should be some consideration by way of a rate of interest lower than the commercial rate. It does not seem to me that the financial institutions of this country should be in the position of reaping a harvest out of every disaster in Canada. This was a disaster. In a large part of the western provinces the crop was not harvested this year. I certainly think the rate of interest should be lower than the commercial rate.

Mr. Quelch: Perhaps the minister would wish to wait until we reach the committee stage of the bill before he answers, but I would ask how loans will be averaged among the various banks. Will it be left to the banks to allocate the amounts among themselves, or will the government allot a certain amount to each bank?

I think the thousand-dollar average would be satisfactory in many instances, because it will carry the farmer who would not have any money at all. There will be many farmers who will borrow perhaps only a portion of the $1,000. On the other hand there will be a few who will require considerably more than that amount. I am thinking of those who are in the unhappy position of having their total crop under snow. If a farmer is farming 600 acres it would mean that in the spring he must purchase more than 700 bushels of seed wheat at a cost of perhaps $1,500. So the $1,000 would not begin to meet his cost of seed, let alone any other expenses. I should hope it would be possible to allow a certain amount of leeway to meet a situation of that kind.

Mr. Howe: It is not the intention that these loans shall take over the financing of all western Canada. They are loans extended on rather sketchy security—that is, security of crops which may be in the fields, and may be subject to all sorts of damage in the winter time. The intention is to provide enough to look after the living expenses of the farmer. It is not intended that we will provide money to pay his debts, or—

Mr. Quelch: His seed is most important.

Mr. Howe: We hope it will take care of seed. But there are always provisions to take care of seed. My hon. friend and I, as long as we have been in the house, have known of provisions for seed on a good many occasions. I do not think the farmer will be let down so far as his seed is concerned.

It is suggested that these loans should carry a special rate of interest that would be lower than the commercial rate. Inevitably that would mean that farmers who have perfectly good credit at the banks, and have been using it for years, would drop the private credit they have always enjoyed and make use of this special credit. That is not our desire. This is to be a loan for a short period of two or three months and no more, with the rate of interest about 5 per cent.

Mr. Quelch: The minister means more than that, surely.

Mr. Howe: Loans will be put out beginning January 1 and will stop, I would think, in May and will become due as the grain is marketed. If the farmer does not market some of his grain by the first of May he is not going to have much seeding done for next year.

Mr. Quelch: There is a lot of this grain that will not be threshed until June. Last year, in the area around Hanna, there were a few farmers who were not able to thresh grain until after their seeding operations had been completed; they were threshing up until July. Provision will have to be made so that loans may be continued until the farmer has done his threshing. Much depends upon the type of spring you have. If the snow goes early, threshing can be completed before seeding, but it is not often that we have a spring like that. I should imagine that a lot of the crop may not be threshed until after seeding.

Mr. Howe: I did not intend to say that we were going to call the loans on the first day of May. As a matter of fact they may run until October before they are in default. But it is not intended to make any new loans after May 1 or June 1. Again we are discussing the bill, which we can do much better when it is before us. We are in position to lend $1,000 to 20,000 farmers. Many of those farmers will have marketed some of their grain. I spoke to groups of farmers all across the prairies, and most responsible farm leaders agreed with me that $20 million would be more than ample. If we are wrong, parliament will be in session next spring and the situation can be corrected. This is intended to take care of a situation, and if we are wrong it will have to be corrected.

Mr. Fair: I am glad to hear the minister say he intends to take care of the situation.

Mr. Sinnott: The Liberal party always takes care of the situation.

Mr. Fair: How long has the hon. member been in the Liberal party? How many parties was he in before he got in the Liberal party?

Mr. Quelch: This will not allow the farmers sufficient time to complete their threshing.

Many of them will not get any payments out of the 1951 crop, and many will not have their crops threshed by that time. The time should be extended to November 15, because to stop payments on October 1 will create hardship on many farmers.

Mr. Howe: I do not think it is fair to be discussing the bill when it is not before us.

Mr. Argue: I was glad to hear the minister say that if the $20 million or the $5 million guarantee was not sufficient, the situation would be corrected during the session next spring. I wonder if the government still has under consideration the matter of paying farm storage. If the wheat board paid farm storage, a slight increase in the initial price would enable these farmers to pay the interest on their loans.

Mr. Howe: I do not mind saying a word on that. To me farm storage is the most fallacious nonsense in the world for improving the lot of the farmer. Who is it that pays farm storage? It is the farmer. He pays it to himself. My hon. friend is practically suggesting that when delivery of grain is made, say in March, instead of getting $1.20, which probably would be due on No. 1 northern wheat, the farmer would get $1.24. All right, that is 4 cents he is ahead there. But when he gets his final payment he is going to find that 4 cents is deducted. All he gets is 4 cents a little bit earlier.

If we changed the interim payment and made it 24 cents instead of 20 cents the result would be practically the same. After all, in a normal season every farmer has the right to market the same amount of wheat as every other farmer under the quota system. Therefore every farmer has about the same proportion of his grain to carry over a period. Some farmers do so deliberately, because they want to be sure they will have grain until they know how their crops are coming along in the next season.

A great deal of grain is marketed in June and July, as my hon. friend knows. One of the difficulties faced by a handling pool is that you get so much late-marketed grain. The payment of storage encourages the holding of grain on the farm, and with a short crop that would be most embarrassing indeed. The purpose of the wheat board is to sell grain just as fast as they can find markets and it is most important that the grain be in the elevators where the wheat board has it under its control.

When you set up a system of farm storage it is not just for one year, it usually becomes a permanent situation. It could be a situation that would react against the farmer. After all, the wheat board is only the agent of the farmer and if the wheat board gets in trouble, the farmer for whom the wheat board is agent is also in trouble. I travelled across the prairies and talked to farm leaders everywhere, and it was not until I reached Saskatoon that I got any indication of any interest whatever in farm storage. I think any thoughtful representative of the farmers would know that the holding out of the payment of farm storage to farmers, knowing that the farmers would be paying the storage to themselves, is misleading the farmers as to their best interests.

Mr. Argue: I take issue with the minister in his argument on farm storage. I do not think it is fallacious nonsense, and I do not think that anyone who proposes farm storage is misleading the farmers. The minister knows that at one elevator point there may be lots of box cars, there may be ample room, there may be no quota and the farmers may be able to haul out a large part of their grain. At some other point the situation may be entirely different. I know farmers in my own constituency who were unable to deliver a bushel of last year's grain until February or March. I do not think farm storage is fallacious at all; I think it is only justice that the farmer who cannot market his grain—that is the situation now for a great many farmers—should get some compensation for being forced to store that grain on the farm. After all, the elevator companies get it and it is the farmers' money that pays the elevator companies. I see no reason why the farmer who cannot sell his grain should not get farm storage.

I think the minister's suggestion that because it is done in any one year it will become a permanent policy, that the government will have to keep on doing it, is fallacious nonsense, if the minister will pardon my using that term, because the government can change its policy in connection with wheat very quickly, as has happened in the past. The wheat board paid it around 1942 and they did not continue that policy.

We have had two bumper crops. Let us assume that those two bumper crops are marketed and that next fall the terminals are empty and there is lots of room in the country elevators in western Canada. Then, as the minister said, we may have a short crop. I think the minister has a much better argument against farm storage in a situation like that. As to the situation this year, it was the government's policy, as the minister has said to us in the house, to move grain early in the year from Manitoba and Alberta, where it was available, to seaboard and to the lakehead. Those farmers were able to sell their grain, but farmers in Saskatchewan

were not able to sell their grain to the same extent. If storage were paid it would merely be a redistribution of wheat board moneys. In the present situation I think it would be a fairer basis than paying storage only to elevator companies.

Mr. Wright: There is another way in which I think the minister's statement was fallacious. He stated it would amount to the farmer paying storage to himself. That is perfectly correct, but storage is paid whether or not the farmer pays it to himself. It is paid to the elevator company, and that is exactly why the farmer thinks he should have it. The grain remains in storage and storage is paid on it, but it is paid to the elevator company.

Mr. Jutras: Not for grain held on the farm, anyway.

Mr. Wright: Pardon?

Mr. Jutras: There is no storage paid on grain held on the farm, anyway.

Mr. Wright: There is none now, no. It is paid on what goes through the elevator companies. If storage were paid on farm-stored grain that amount would go to the farmers instead of to the elevator companies.

Mr. Jutras: Millions of bushels are marketed in the spring. There is no storage paid on that.

Mr. Wright: That is right. There is no storage paid on what is on the farm normally, but as to any amount over and above what is normally held on the farm, the storage would be paid to the elevator companies and they get the benefit of it unless the farmer is a member of a pool, when of course he gets it back.

Mr. Sinnott: I should like to ask a question of the hon. member who has just sat down, in order to be helpful. Does he not think if farm storage were paid there would be a tendency for the farmer to hold grain back on his farm until the latter part of the marketing season in order to gain that storage money for himself? That would then bring about far worse conditions for moving that grain.

Mr. Argue: A question like that is not very sensible at a time when the farmer cannot market his grain.

Mr. Sinnott: On a question of privilege, I did not ask the hon. member for Assiniboia; I asked the hon. member for Melfort.

Mr. Argue: Then you will get two answers.

Mr. Sinnott: I cannot comprehend fully the answer the hon. member gave.

Mr. Wright: I do not think payment of storage on farm-stored grain would make very much difference in the amount of grain coming forward. I do not think there are many farmers who would simply hold their grain on the farm for the purpose of getting the one cent storage on it. In the first place not many farmers are in a position to hold it if they can market it, but if they have to hold it they should get something on it.

Mr. Sinnott: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Sinnott: I am not going to sit down. I am going to say what I have to say. I want to make this clear. We all want to finish the discussion of the resolution but I want to have this point cleared up first. It is quite clear that farmers, mostly in Saskatchewan where there are big farms, hold back their grain purposely to avoid having the income tax all coming in one year.

Mr. Argue: Has the government given any consideration to making the 25 per cent guarantee applicable to credit unions? We have a number of large credit unions in Saskatchewan and in other provinces of western Canada, that have been most successful. They are engaged day to day in the lending business. Has any consideration been given to extending to them the same guarantee as to the banks?

Mr. Howe: A good deal of consideration was given to who would do the lending. At first we thought the logical agency would be the elevator companies, and I must say the Saskatchewan pool was very co-operative in agreeing to arrange that and share part of the loss. However, on going into the situation it was found there were protests that elevator agents were not in the habit of filling out forms, that they were not bankers and were terrifically busy doing the job of running the country elevators. There was only one agency that was favourable to that plan. We gave it up as impractical. Then we looked at other sources of lending and decided that the chartered banks were the logical agencies. They undertook to do the job, somewhat reluctantly it is true; they agreed to carry out the letter and spirit of the act. I think the suggestions that have been made that the banks will not do a thorough job in looking after the needs of western Canada under this legislation are unfounded. We cannot go beyond the chartered banks. There are reasons for that. It is not possible to extend the same lending privilege to the credit unions, and I do not think it is necessary for this very short term financing.

Mr. Ross (Souris): I want to ask a question that has a bearing on farm storage. Is it not a fact that a certain amount of grain is carried for a while in the terminals and the

expense is pooled to all wheat producers in the final settlement through the wheat board? There are certain charges at the terminal elevators that are ultimately pooled to all producers through the wheat board.

Mr. Howe: Storage in country elevators and in terminals at Fort William is a charge on the wheat board. Of course when the wheat gets beyond Fort William storage is a charge on the purchaser.

Resolution reported, read the second time and concurred in.

Mr. Howe thereupon moved for leave to introduce Bill No. 44, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to complete harvesting operations or to make delivery of grain.

Motion agreed to and bill read the first time.

Mr. Fournier (Hull): May I ask hon. members if they will agree to let us pass the resolution under item 14 on the order paper. This is the measure to authorize the Canadian National Railway Company to make capital expenditures not exceeding a certain amount. If we could secure agreement to pass the resolution we would have the bill tomorrow and I would put it on the order paper for tomorrow. I think it is largely a formal resolution, and I believe the debate could take place tomorrow if the financial critic of the opposition will agree.

Mr. Macdonnell (Greenwood): The resolution appears to follow the usual form, and I do not see any reason why we should not let it pass tonight.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR AUTHORIZATION TO MAKE CAPITAL EXPENDITURES, TO ISSUE SECURITIES, ETC.

Hon. Alphonse Fournier (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures not exceeding $55,581,816 for the purpose of meeting the commitments that have been incurred by the national railway system in the year 1951 in respect of new equipment; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that the aggregate principal amount of securities, not including any securities issued to secure temporary loans made by the Minister of Finance, outstanding at any time shall not exceed $55,581,816; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make temporary loans to the said company secured by such securities and not exceeding $55,581,816 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the said national system.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

Mr. Macdonnell (Greenwood): I notice that the minister is not here. I think that any questions I wish to ask can be asked when we see the bill.

Mr. Adamson: Does this represent any new construction, or is it just to cover the annual deficit?

Mr. Fournier (Hull): It is just the annual financing bill for the Canadian National. I believe it is in the same form as the bill which comes up every year.

Mr. Adamson: I wondered whether it represented any new construction.

Mr. Howe: It covers the program of car building which is the usual capital expenditure of the Canadian National Railways.

Resolution reported, read the second time and concurred in.

Mr. Fournier (Hull) thereupon moved for leave to introduce Bill No. 45, to authorize the provision of moneys to meet certain commitments for new equipment incurred by the Canadian National Railways system during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railways.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall take up third reading of the two bills we passed this afternoon concerning the national gallery and the Civil Service Act; then the bill based on the resolution of the Minister of Finance concerning the Canadian National, which we just passed. I do not know if we can proceed with the first item, because I do not know if we shall have sufficient copies of the bill. However, I hope to have them tomorrow. Then we shall take up Bill No. 25, an act to provide for the financial administration of the government of Canada; Bill No. 26, an act to amend the Public Works Act; Bill No. 15, an act to provide for privileges and immunities in respect of the North Atlantic Treaty Organization; Bill No. 18, an act to provide for the

establishment of an agricultural products board; Bill No. 44, an act to provide for short-term credit to grain producers of the prairie provinces; Bill No. 23, an act to amend the Government Annuities Act. To the best of my knowledge there are few items left on the order paper after these.

Mr. Drew: The minister does not think we can take up resale price maintenance tomorrow as well?

Mr. Fournier (Hull): I can try, but I do not think I shall succeed.

Mr. Drew: May I have an indication as to when the house leader does expect to bring forward the measure relating to resale price maintenance?

Mr. Fournier (Hull): I could not give the definite hour on Monday, but on Monday we intend to bring it up.

Mr. Graydon: You are going on with it?

Mr. Fournier (Hull): Certainly. It was announced in the speech from the throne.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Saturday, December 15, 1951

The house met at eleven o'clock.

NORTH ATLANTIC TREATY

PRIVILEGE, MR. DREW—CANADA'S CONTRIBUTION TO EUROPEAN DEFENCE—REFERENCE TO PRESS REPORT

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on a question of privilege I would recall the fact that, on two previous occasions, I have directed questions to the Prime Minister (Mr. St. Laurent) in regard to any obligations that may have been established under NATO, and on a still earlier occasion I called the attention of the house to press reports from Europe in which the Minister of National Defence (Mr. Claxton) had made certain statements as to plans that had been settled in regard to construction that was to take place in Europe. I pointed out at that time that this raised the question of long-term policy which had not been placed before, let alone been settled by, the house in any way. In response to the questions I have asked, the house was informed by the Prime Minister as recently as the day before yesterday that these undertakings have not been settled.

This morning, over the Canadian Broadcasting Corporation news reports and also in today's press I have heard and seen the reports of the building that is to take place to house the 27th brigade in Germany. The report to which I refer is not put forward as a speculative report in any way but is a positive statement that the camps that will be built for the Canadians in the Soest area in Germany are expected to surpass even the excellent barracks the 27th brigade now has in the Hanover area, 100 miles to the northeast.

In the radio broadcast I heard the expression that our men would be living "the life of Riley" as they would be the finest barracks that had been built. Then the report went on to say as follows, and I am now quoting from the Canadian Press dispatch which reports this as information coming from Soest in Germany:

> The new camps are expected to scatter the brigade over a fairly large area just as its units are now scattered over a fifty-mile area around Hanover. For reasons of economy the scattering may be modified but tentative plans are for seven self-contained camps made up of hundreds of one-storey buildings of concrete, cement and stucco which will be built by Germans under Canadian direction.

It will be recalled that at the time the earlier press reports referred to this subject it was stated that buildings of this kind were going to be built by Germans at a cost of several million dollars, although the exact number of millions was not determined. I pointed out at that time that this could not be regarded simply as a statement affecting the construction of accommodation for the 27th brigade alone, but that it did establish a policy which would of necessity be related to possible commitments on a much more extended scale, and that a matter of this kind is something certainly which should be placed before the members of this house, particularly when they are in session. In any event, there is another question that arises, and that is, how buildings of this kind are to be determined. The statement appearing today in the press, and being given wide coverage by the Canadian Broadcasting Corporation, makes positive and very definite statements as to the way this is to be done, and particularly that it is to be done by German workmen under Canadian direction, and in relation to plans that have been settled on, on a very extensive scale.

I raise this question of privilege, Mr. Speaker, because I do believe that if this has been settled, particularly after the information we received before that there perhaps was some misunderstanding of the statement made by the Minister of National Defence (Mr. Claxton), we should know two things: First of all, is this part of some arrangement under NATO, and, if so, what arrangements have been made with NATO? Second, what exactly are the arrangements under which Canada is going to employ German workmen to erect these buildings, and is this just some indication of a broader policy which may relate to any other forces being sent overseas?

Mr. Knowles: On a point of order, Mr. Speaker, before the Prime Minister replies I wonder if I might say just a word. I hope that the leader of the opposition will not take offence at this. Likewise, I hope that the Minister of Fisheries (Mr. Mayhew) will not take offence if I indicate that this is similar to the situation that we had yesterday. I hope that when we come back here for the next session we will have the matter clarified as to the rights of the leader of the opposition

and ministers to make statements, called privilege or what have you, as compared with the rights that apply to ordinary members. It seems to me that far too often questions are asked on privilege—

Some hon. Members: Hear, hear.

Mr. Knowles: Government members are applauding. But I may tell them that mistakes are made on the government side, too. Far too often ministers on the government side bring up matters that should be dealt with on the orders of the day, but raise them on questions of privilege. Far too often statements which ministers make on the orders of the day or on motions should be made in debate. As Your Honour knows, this is a matter that was the subject of some discussion in Your Honour's committee on procedure.

Mr. Graydon: It does not appear in the report.

Mr. Knowles: But it was discussed in committee, and the hon. member for Peel knows it. I am surprised that the hon. member for Peel, who objected to the Minister of Fisheries making a provocative statement on motions yesterday, did not object to his own leader making his statement at this time today. I say, quite frankly, Mr. Speaker, I am not casting a reflection solely on the leader of the opposition. This is something that is done from the front benches on both sides of the house. It would be unfair not to permit the government a reply this morning, and I do not object to a reply being made, but I do hope that at the next session Your Honour will watch this matter in the way in which the house would like to have it watched.

Mr. Drew: Since the hon. member who has just spoken has—well, I really think, substituted himself for Your Honour on this occasion—

Mr. Graydon: Again.

Mr. Drew: —I do feel that I should make some comment in relation to the suggestion he has made that there is some impropriety in the proceeding that has been adopted. I would point out that the procedure I have adopted is in no way incorrect, and it is not similar to the procedure which was discussed yesterday. The procedure which was discussed yesterday was one relating to a particular statement within the house. I am referring to the privileges of the members of this house. I am referring to a fundamental privilege, and that is whether statements of policy and announcements of decisions by the government should be made in the first place before parliament knows anything about them, and in the second place are to be made without informing parliament when parliament is sitting.

[Mr. Knowles.]

As to the question of privilege, I submit, Mr. Speaker, this is the proper place, and I am seeking no special concessions as leader of the opposition. I am simply raising a question in regard to the rights of the members of this house, and may I say to those who applauded the suggestion that such questions should not be raised, that I would hope hon. members here would seek wider opportunities for parliament to exercise its authority rather than seeking to diminish it, as some of them would appear to wish.

Mr. Speaker: Probably it is just as well that the hon. member for Winnipeg North Centre has brought this matter to my attention. However, hon. members will recall that during the present session no opportunity has been given to hon. members to raise grievances. We have not gone into committee of supply or committee of ways and means, and for that reason I have allowed considerable latitude both when motions are called and also on the orders of the day. I am sure it would please very few members if I endeavoured to carry out the rules of the house strictly when hon. members have not an opportunity to raise grievances.

The hon. member referred to an incident which took place yesterday. At that time, when the Minister of Fisheries was making a statement, the hon. member for Peel rose and objected to the statement being made. I think he was quite within his rights in so rising. I, in my very limited wisdom, thought that the statement was almost completed, and it might be just as well if it was completed, but I did point out afterwards that I was giving an opportunity to the hon. member for St. John's West (Mr. Browne) to make a reply.

I agree very largely with what the hon. member for Peel said, and I stated yesterday that statements from government benches should not be provocative or argumentative; they should be factual statements only. However, we are getting near the end of the session. I do not intend to be any more strict throughout the remaining days of this session than I have been, but I hope that next session we shall be able to carry on the proceedings of the house more in accordance with the rules, but in a manner which will enable me to interpret the rules so that every hon. member will have an opportunity to express his views.

Mr. Pouliot: Mr. Speaker, if I may be permitted, I was not surprised, but I had some regret, when I heard you mention your limited wisdom. In fact your wisdom is equal to your humility.

Mr. Speaker: Thank you indeed. Perhaps we can now have an answer to the question which was raised by the leader of the opposition.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have listened to what the leader of the opposition has said. I did not listen to the radio this morning and I did not see the dispatch to which he has referred; but I can assure him and the house that though we all knew when the brigade was going to Europe that it would have to be housed, the question as to how that was going to be done has not been discussed by the government so far, and there is no justification whatsoever for this report to which the leader of the opposition has referred.

Whenever the government does come to a conclusion with respect to this matter it will be announced here, and the house will be asked in the usual way to make provision for carrying out the recommendation the government may have to make. No policy has been decided upon by the government in that respect, and this matter as to whether and where and how new barracks may have to be built has not yet been determined. The barracks that are at present occupied are barracks which had been allotted to the United Kingdom forces, and that have been placed provisionally at the disposal of the Canadian brigade.

Now, what will ultimately be done about it has not yet been determined, and there is nothing so far that the government could announce in that respect. I am sorry it frequently happens there are assertions made over the radio and in the press that are not founded upon information properly obtained. I do not know where they get this. It may be summarizing rumours which are being talked about in public. But this matter has not come before the government. There has been no decision made about it; and when there is, it will be communicated to parliament as it should be.

Mr. Drew: I welcome the assurance by the Prime Minister because, as I explained, this was given in such factual detail that it raised the question as to whether some decision had been reached. But I would offer a suggestion in relation to the matter, which the Prime Minister has very clearly indicated is important, that if the practice of making anonymous statements by officials of the Department of National Defence were discontinued, some of this confusion might be avoided.

Hon. Brooke Claxton (Minister of National Defence): I must rise to answer that. I have in the Department of National Defence and in the three armed forces in Canada, the navy, the army and the air force, as good a group of public servants, devoted to the cause of Canada, as there ever has been serving this country.

There is no practice of making anonymous statements. Everyone knows that every statement issued by the Department of National Defence is issued over my name, if it contains a statement of policy; and otherwise they are issued as statements by National Defence headquarters or by the service concerned. There are no other statements. The suggestion the leader of the opposition (Mr. Drew) makes in this connection is just as far afield as anything could be.

How can we be responsible for a newspaper report which apparently emanated from Germany and which, so far as one can see, is based upon speculation—because the location of the proposed camp in Germany has not been finally decided upon. There is no decision as to the type of construction. There is no decision as to the arrangements under which the land would be made available. There is no decision as to the manner in which the costs would be met. All these are matters which have to be worked out.

Everyone knows, as the Prime Minister has said, that our troops have to be housed. They have to winter over there. They cannot live out in this weather. But the arrangements under which this is to be done have still to be decided upon, both with regard to the three occupying powers, the German government and the NATO organization.

RADIO BROADCASTING

THIRD AND FINAL REPORT

Mr. W. A. Robinson (Simcoe East) presented the third and final report of the special committee on radio broadcasting.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the hon. member for Simcoe East, who has just tabled the report of the radio committee, if he will make it clear that this report was not concurred in by members of the opposition on the committee, and that it is a majority report only.

Mr. Robinson: It speaks for itself.

REPORTS AND PAPERS

Annual report of the Department of Citizenship and Immigration, in English and in French.—Mr. Harris (Grey-Bruce).

Inquiries of the Ministry

UNITED NATIONS

UNDERDEVELOPED COUNTRIES —ASSISTANCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask a question. It is, I believe, quite in conformity with your suggestion made a short time ago. A report appears in this morning's paper to the effect that Canada has joined with others in voting against a proposal before the United Nations to set up a special fund to assist underdeveloped countries. Many of us are very anxious to see more help being given to the underdeveloped countries, particularly in Asia, as a means of preventing the further spread of totalitarianism in that area.

Many of us too are supporting the rearmament program of NATO because we hope that some proportionate amount will be appropriated for the raising of the standard of living of underdeveloped areas, as a means of advancing human progress. Would the Secretary of State for External Affairs give the house any information as to why Canada opposed this particular suggestion?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, as I have not yet received a report on this matter from our delegation in Paris, it may be necessary for me at some later date to amplify what I am about to say. However, I do know that this proposal, and the action taken by our delegation in respect to it, does not mean that the delegation or, indeed, the government is unsympathetic to the question of technical assistance for underdeveloped countries.

We have already expressed that sympathy, both in deed and in word, at this assembly. This particular proposal, which was put before a committee of the assembly, was for the establishment of a fund of $500 million by the United Nations which could be made available, under the procedure outlined in the resolution, for the assistance of underdeveloped countries.

The general attitude we have taken in this matter at the United Nations is that there is sufficient machinery for this purpose now, if members of the United Nations wish to use that machinery, and that it is unnecessary and therefore undesirable at this time to set up a special organization with a stated amount to be made available to it; especially as during the discussion of the matter the United States, which would normally contribute the greatest proportion of the resources which would be made available,

indicated that it was opposed to the resolution, and opposed to the procedure, and would not be able to contribute to this fund.

In the circumstances—and I think these are the circumstances; but I will have to confirm this when we receive the report from Paris—we decided to oppose the resolution. At the same time we were in favour of an alternative resolution which would have once again pledged our support for the principle of assistance to underdeveloped countries. However, we were not in favour of implementing that support by the particular method indicated in the resolution to which the hon. member has referred.

CRIMINAL CODE

CONVICTIONS FOR CONTEMPT OF COURT— REQUEST FOR AMENDMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of Justice, of which notice has been given. In order to assure the maintenance of freedom of the press and of radio, would the Department of Justice give consideration to amending the Criminal Code in connection with convictions for contempt of court, as against press or radio, so that in cases such as that in which the *Globe and Mail* was recently assessed the costs of the court for alleged contempt, by Mr. Justice Wells, a right of appeal will be provided.

Also, will an amendment be considered to remove the anomaly which would appear to make the law respecting contempt of court too strict, in that it denies press comment on a case after trial, until every accused has exhausted his rights of appeal.

Hon. Stuart S. Garson (Minister of Justice): I should like to reply to both my hon. friend's questions at the same time. We in the Department of Justice have been following with some interest the news stories and editorial comment concerning the action by Mr. Justice Wells of the Supreme Court of Ontario, high court division, who held the *Globe and Mail* in contempt. In that connection we have been giving consideration to the rather important issues which are involved in this course of action. The department has not yet reached any decision upon which government policy could be based that the present law should be changed. If there are any developments in government policy in this regard they will be announced in due course.

INQUIRY FOR RETURN

GOVERNMENT EMPLOYEES—CIVIL SERVANTS—WEEKLY WORK PERIODS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): In the absence of the Secretary of State (Mr. Bradley) I should like to direct a question to the appropriate minister. This relates to questions of mine which were passed as an order for return on November 28, reported on page 236 of *Votes and Proceedings*. My questions had to do with the five-day week for civil service and government employees. I wonder if I may expect this return before the end of the session.

Right Hon. L. S. St. Laurent (Prime Minister): I shall have the matter looked into.

NATIONAL DEFENCE

RADAR SCREEN—REFERENCE TO ARTICLES IN MONTREAL "HERALD"

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): On Thursday last I directed a question to the Minister of National Defence in regard to very detailed articles which had appeared in regard to our radar screen and, in view of the positive statements which had been made as to the deficiencies of that screen, asked him to explain. At the time the minister stated he had not seen the articles, and I should like to ask him now if he is in position to make a statement.

Hon. Brooke Claxton (Minister of National Defence): I realize that the leader of the opposition was not in the house yesterday when I made a statement in that regard.

NATIONAL GALLERY

INCREASE IN MEMBERSHIP OF BOARD OF TRUSTEES—EXPENDITURES—APPOINTMENT OF OFFICERS, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the third reading of Bill No. 42, respecting the National Gallery of Canada.

Motion agreed to and bill read the third time and passed.

CIVIL SERVICE ACT

AMENDMENT RESPECTING TENURE OF OFFICE AND SALARIES OF COMMISSIONERS

Hon. Alphonse Fournier (for the Secretary of State) moved the third reading of Bill No. 43, to amend the Civil Service Act.

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

Mr. Knowles: On division.

Motion agreed to on division and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR AUTHORIZATION TO MAKE CAPITAL EXPENDITURES, TO ISSUE SECURITIES, ETC.

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 45, to authorize the provision of moneys to meet certain commitments for new equipment incurred by the Canadian National Railways system during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railways.

Mr. Macdonnell (Greenwood): May we have an explanation?

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, while this bill stands in the name of the Minister of Finance (Mr. Abbott) it concerns the financing of Canadian National Railways, so perhaps I could give the explanation. The short title is Canadian National Railways Financing and Guarantee Act (No. 2), 1951. Hon. members may ask why there is a second act of this type this year.

The house will recall that the annual Canadian National Railways financing bill passed at the first session of this year contained an unusual clause which permitted the Canadian National Railways, subject to the approval of the governor in council, to make commitments in 1951 for the purchase of equipment which it was not expected would be delivered in 1951, but in 1952 or perhaps later. Orders could not be placed without government authority. On June 19, 1951, I placed on *Hansard* a list of the equipment for which commitments were to be authorized; the total amount of the commitments was not to exceed $111,512,920.

The house will realize that normally this financing and guarantee act comes to it in May or June of the usual session. We are now informed that some of this equipment will be delivered sooner than expected and prior to June 30 next year. The present bill simply provides that the usual guarantees can be given for the financing of this equipment to the extent of $55,581,816, which it is expected is the value of the equipment that

will be delivered under these authorized orders before the house has before it next year the usual Canadian National Railways financing and guarantee bill. With the permission of the house I could place on *Hansard* a list of the rolling stock that it is expected will be delivered prior to the time the house would ordinarily deal with it next year.

Mr. Speaker: Has the hon. member permission?

Some hon. Members: Agreed.

Mr. Benidickson: The table follows:

Description	Amount
12 (800 H.P.) Diesel electric switchers	$ 1,393,920.00
12 (660 H.P.) Diesel electric switchers	1,203,840.00
1 Diesel electric switching locomotive	101,201.00
24 (1500-1600 H.P.) Road diesels	4,800,000.00
20 Diesel switchers Canadian }	3,120,000.00
5 Diesel switchers (U.S.) }	
1000 (40-ton) Automobile cars	7,700,000.00
1500 (70-ton) Drop end gondola cars	10,601,250.00
750 (70-ton) Gondola cars	5,280,000.00
300 (70-ton) Gondola cars (G.T.W.R.R.)	1,955,400.00
500 (70-ton) Triple hopper cars	3,465,000.00
750 (70-ton) Triple hopper cars	5,176,875.00
125 (70-ton) Covered hopper cars (G.T.W.R.R.)	881,250.00
500 (50-ton) Box cars (part order)	3,374,250.00
130 (50-ton) Box cars (part order)	877,305.00
50 (30-ton) Box cars (Nfld.)	278,575.00
300 (50-ton) Steel underframe flat cars	1,996,500.00
500 (50-ton) Flat cars	3,308,250.00
10 (30-ton) Steel frame stock cars	68,200.00
	$55,581,816.00

Mr. J. M. Macdonnell (Greenwood): As the parliamentary assistant has stated, this bill is pursuant to action taken last June, which action was an innovation. I think any questions that I have to ask could better be asked when we are in committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Macdonnell (Greenwood): Mr. Chairman, as the parliamentary assistant has pointed out, authority was given last June by chapter 45 to the governor in council to incur commitments totalling $111 million. The explanation given then was that by reason of an anticipated shortage of steel and so on it was desirable to get that authority, which I believe was unprecedented. The judgment of the house was obtained and the authority was given to make commitments covering the equipment set out in the table to be found on page 4297 of *Hansard* of June 19.

The government is now coming to parliament and saying that with regard to part of that sum of $111 million, to wit, $55 million odd, they now wish to carry the transaction a step forward and be allowed to issue securities to provide for the purchase of equipment totalling this lesser amount. I should like to ask whether all the equipment in the amount now presently being provided for was included in the list of June last.

Mr. Benidickson: Yes.

Mr. Macdonnell (Greenwood): We granted the authority to make these commitments and naturally we must grant authority to pay. How soon are these deliveries to begin? How is this amount arrived at? As these commitments have been made, there is no sense holding back and not giving authority. On the other hand we ought to be given a prima facie case for the need of authorizing this very large amount at this time.

Mr. Benidickson: On page 4296 of *Hansard* for the last session I gave in some detail the reasons for the apprehensions of the railroad about future deliveries having regard to the short supply position of many of the items that they anticipated they would want in 1952. The detail of equipment that the house gave me permission to table without reading is in every particular to be found also in the list that I provided last session to which the hon. member for Greenwood has referred, and which appears at page 4297. It has turned out that the actual expected delivery date of this equipment is somewhat better than the management of the road believed was possible last spring when they thought that orders should be placed with manufacturers.

My hon. friend asks how we arrive at the figure of $55 million that we are now asking authority to finance. This is based upon the

report of the C.N.R. management after consultation with their suppliers. There is now advice that the various items appearing on the list tabled will be delivered in sequence between now and June 30. The same items of course will also appear in the 1952 equipment budget of the Canadian National Railways. The additional equipment that the house authorized the C.N.R. last June to order will also appear in the 1952 C.N.R. budget and will come up for discussion before the committee on railways and shipping. We have information now that before June 30 next these various items, appearing on the list which I have provided for *Hansard*, can be delivered and thus must be paid for.

Mr. Macdonnell (Greenwood): I presume that the issue of these securities will be timed so that we will not be issuing $55 million in securities and paying interest on the amount in advance of requirement. You are taking the power to get intermediate loans so that you will not have to issue them until the convenient and proper time.

Mr. Benidickson: That is correct. In the initial stages at least it is financed by temporary loans to the Canadian National Railways from the government, so the equipment can be paid for as delivered.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time? Now?

Mr. Knowles: By leave.

Mr. Fournier, Hull (for Mr. Abbott) moved the third reading of the bill.

Bill read the third time and passed.

FINANCIAL ADMINISTRATION

PROVISION FOR CONSOLIDATION AND REVISION OF CERTAIN ACTS, AUDIT OF PUBLIC ACCOUNTS, FINANCIAL CONTROL OF CROWN CORPORATIONS, ETC.

The house in committee on Bill No. 25, to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations—Mr. Abbott—Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Macdonnell (Greenwood): I should like to make a few brief comments on clause 1. I think any other comments can await the relevant sections. This bill has been before the public accounts committee, and in general I approve of it. It is a measure which represents a great deal of efficient work on the part of the staff of the Department of Finance. In large measure it puts into statutory form practices which have grown up that have been found to be convenient and which have had to derive their sanction from various acts and no doubt from various other authorities as well. They are now brought together and put into this bill which I think the committee felt had a great deal of merit in it.

Mr. Knowles: Would the parliamentary assistant tell us at this point which sections of the bill were amended by the committee?

Mr. Sinclair: On the whole the amendments were fairly minor ones as to phrasing. The only place where the change in phrasing is substantial is in section 76 having to do with crown companies. As the sections are dealt with perhaps I might be allowed to indicate those where amendments were made. Members who were on the committee will recall there was no major change in any of the clauses. In certain cases a word was changed or a word was added. For example a change was made to "the Auditor General shall report forthwith" instead of "the Auditor General shall report". The only main change in phrasing is in section 76 having to do with crown corporations.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—*Duties of treasury board.*

Mr. Macdonnell (Greenwood): I want to say a word about section 5. This clause is in the part of the bill entitled "treasury board" and refers to finance and the making of estimates. I am not going to go over the ground again complaining about the inaccuracy of estimating, but I wish to refer to one thing which I think is relevant and which I regard as a matter of very great importance. Last April the Minister of Finance used very strong language indeed in speaking about the necessity of government economy as a matter of defence against inflation. I want to read a sentence or two from what he said because it was so strong, and I wish to record regret that he seems to have wholly departed from it. At page 1801 of *Hansard* for April 10 he said:

> Immediately following the Korean crisis last summer the government reviewed its own expenditure programs, and many projects that had been planned and for which parliament had voted funds were deferred. Since that time the numbers in many units in the public service have been reduced or held below the figures for which parliament had appropriated salaries. Hon. members and others have already seen tangible effects of this policy. The detail pages of the estimates show many instances where expenditure in the past year has

been considerably below what was authorized and planned, despite the increase in wages, salaries, and prices. For this new fiscal year we have applied a similar but more severe test of need. For non-defence purposes we have reversed the upward trend in expenditures. The estimates placed before parliament for this year show a reduction of $35 million below last year, despite an increase of more than 10 per cent in salary and wage levels, despite higher materials and construction costs, and despite an increase of nearly $40 million in old age pensions, family allowances, tax rental agreements with provinces, and similar payments that rise automatically with increases in population and the value of production.

He goes on to speak about the reduction of employees, etc.

There was a great deal of dispute about the figure of $35 million, but I shall not labour the point. I shall merely read some remarks which I have put on record before.

They are from the Winnipeg *Free Press*. It speaks about the $35 million hoped-for reduction out of an estimate of $2,036 million for non-defence expenditures. The *Free Press* comment is as follows:

But the government's achievement here was only $35 million out of $2,036 million, virtually total failure.

Later it says:

. . . no government can continue to throw oil on the fire with one hand and keep down the flames with the other.

This committee will recall that some weeks ago we were given a figure, I think it covered the first seven months of the fiscal year, which showed that expenditures instead of being down $35 million were up $37 million. I asked a question of the parliamentary assistant, and he gave what I thought was rather a debating point answer, and in my opinion an answer that had nothing to do with the realities of the situation. But I comforted myself with the thought that when the minister came back there would be a more serious method of dealing with this matter. I thought that perhaps when the cat was away the mice would play. Actually, we have been thrown out of the frying pan into the fire.

The other day the minister spoke of this in a very offhand fashion, and said it was up only 3 per cent or 4 per cent, which is about right. My real concern, Mr. Chairman, which I want to record is that I believe, and I think the minister believed when he spoke last April, that this is one of the serious means of fighting this great plague which threatens us. I regret very much indeed that, so far as I can see, the minister has now thrown up the sponge, and in effect said that there is nothing that we can do about it, and that it is not too bad anyway. This has disturbed me a great deal, and in that connection I want to make one comment.

I have ventured in this house before, recognizing the difficulty of economy, to say that I thought the only way to make economies was for the minister to ration, as it were, the various departments. I am not going to labour that, but I am putting on the record and I regard it as a matter of real importance and great seriousness that apparently we have not only abandoned the pursuit of economy but that the minister takes it with apparent equanimity. I should like to refer in this connection to the fact that there are men in public life who have gone to the mat on this question of cutting expenditures. I have in my hand a copy of a speech delivered on June 12 last by the Hon. Angus L. Macdonald. I should point out that Mr. Macdonald was in a different position from our own finance minister because he was facing a deficit. But I do not think the parliamentary assistant, the minister or anyone else will be inclined to say that merely because one is not facing a deficit one should be careless with public expenditures. I am sure they will not say that because one of the criticisms we have been making is that one of the dangers of large surpluses is that it is often difficult to make people really serious about economy. Economy is not a thing that anyone likes, and I have no doubt that if the parliamentary assistant feels it is worth replying to my statement, he will say that we on this side do not like economy any better than the government does. That will speak for itself.

I want to read briefly what was said by the premier of Nova Scotia, who is also the treasurer. He said:

When I speak of cuts in expenditures, I do not say or even suggest for a moment that any of the things that we have been doing have been unjustified or extravagant, and I do not wish that impression to gain any ground either in this house or outside of it. It is not a case of cutting out needless services or extravagant services. It is a case of having to make some cuts somewhere. It is a case of trying to fix priorities, and all that we can do is to hold on to those things that are absolutely essential, and dispense, for the moment at any rate, with certain things that, while desirable and good in themselves, are not so essential as the others.

I am not going to press this matter further. I realize it is a difficult thing, but I wish to point out that when the minister made his forecast last spring he went a long way towards saying he had tried to take into account the various increases that we were going to face. I do not want this criticism to be answered with the statement, "Well, prices have gone up." If the minister had come to this house and dealt with the matter seriously by saying, "Yes, we have been disappointed,"

I would have felt somewhat better about it. The impression which I received, and which I am protesting against, is that this weapon which ought to be, and has always been thought to be, one of the great weapons against inflation is really regarded now as, shall I say, abandoned.

Mr. Sinclair: While I am very anxious to get this bill through, Mr. Chairman, I think an answer should be given to one or two of the points raised by the financial critic for the opposition. As he said, he has raised them before, both on an item which I was handling and directly with the minister when he returned from NATO. So far as this matter of treasury board control over government expenditures is concerned, when this bill was before the public accounts committee we had the deputy minister of finance as well as the secretary of the treasury board before us. They gave us an illuminating explanation of how the estimates were prepared by departments; how they were screened by treasury board with the aid of treasury officials stationed in every department, and of how economies were effected.

It is quite true that last year the minister estimated that there would be a reduction of $35 million in civilian expenditure over the expenditure of the previous year. Now, that was not easily achieved. Instructions were issued for an over-all reduction of 10 per cent in the number of civil servants in the civilian departments, most noticeably in post office, since that department is the greatest employer of labour. Everyone seems to be strongly in favour of economy in a general way, but when actual economies are effected it seems that members of parliament are the first to protest.

Mr. Macdonnell (Greenwood): I am glad I said that.

Mr. Sinclair: I am glad you did, too, because I want to point out one or two instances. It seems that the Minister of Finance and the treasury board have better success in resisting the desires for extra services of the various departments of government than in resisting the repeated desires of members of parliament.

During this session we have had requests for bigger pensions, for bigger allowances, for more public works, for bigger grain payments. This morning we heard criticism because we were not going to embark upon a further $500 million plan of United Nations, not for loans but for gifts to underdeveloped nations. The job of the treasury board, of course, is an unpopular job when it comes to the details of resisting these demands for extra expenditures from the public treasury which, in the end, have got to be met by the individual taxpayer. It is a difficult thing, as conditions are now, to accurately estimate in advance what costs will be. Every business firm in the country has that experience. I am sorry I have not with me at the moment the analysis I prepared of what the provincial treasurers had done in the last year, so far as both their estimates of revenue and their costs are concerned.

It is interesting to note that the provincial treasurers of three or four of our large provinces were very much more in error, if error is the word to be used, in their estimates of revenues than was the federal Minister of Finance. The same is true so far as expenditures are concerned, both in the provincial field and in many municipal fields. These public authorities were just as anxious for economy as are the federal authorities, and have found that increased wages, increased cost of materials, and in some cases shortages, which do add to the cost because of delay in construction, have caused the estimates they made last spring to be exceeded. But I should just like hon. members to remind themselves of the requests which have been made recently in this chamber for added payments from the public treasury and which have been resisted by the minister and by treasury board. As hon. members know, they have been resisted because of the desire for economy and also because there is on the part of many members themselves an inclination to regard the surplus as an invitation for further expenditures on whatever pet projects they may have in their ridings or in their provinces. I think that the record of the treasury board—

Mr. Knowles: It is a case of our projects versus yours.

Mr. Sinclair: As far as treasury board is concerned, their main project is to hold down the cost of running the country. Perhaps I can end on that note.

Mr. Macdonnell (Greenwood): I want to say only one word. The parliamentary assistant has dealt with the question of the estimates which I meticulously avoided, he will remember, except as to the results. I would just say this. When the minister gave some figures —some of them, I must admit, very large figures—of error, I noticed that he did not quote the British precedent. If I remember right,—unless there has been a great change recently—the most recent figures that I have seen suggested that if they got above a 2½ per cent or 3 per cent error they began to worry about it. That figure is not a last year's figure but it is a recent one.

The only other thing I want to say for the comfort of the parliamentary assistant is

this. He has pointed out all the responsibility that the government carry. The only answer I can make to that is that with honour and privilege, responsibility always goes. After all, the government like to feel that they enjoy a great deal of honour; and I am sure that they regard it as a privilege—and a very proper one—to be charged with this responsibility that is theirs. Being a generous person, I would remind the parliamentary assistant that I have told them before how this job can be done, and the only way it can be done. The way to do it is not to ask the department to come in and then to say: We should like you to reduce your estimates. The way to do it is to make up your mind how much you can allow them to spend, and tell them accordingly. You would probably have to have a bodyguard if you did that. I know it would be a terribly difficult thing to do, but I am satisfied that it is the only way in which you will ever cut to the bone.

The Chairman: Shall the clause carry?

Mr. Drew: No, Mr. Chairman. I think the point that has been raised by the hon. member for Greenwood is one that should not be passed over too lightly, because this perhaps will be the last time that there will be an opportunity to discuss the matter in relation to the responsibility of this particular department. At the time this measure was under consideration before, suggestions were made that there might be some way of establishing the responsibility of the minister and of the department for presenting to the house an estimate which would be as accurate as possible, within the measurable errors that inevitably creep into broad estimates of this kind. At this stage it seems difficult for any representative of the government to say that we have suddenly been confronted with unexpected revenues which have given us a large surplus; because this government has, year after year, been producing these large surpluses which, in fact, are nothing but overtaxation—and extremely heavy overtaxation —at a time that the people are already greatly worried about the high cost of living.

The Minister of Finance was away at the time the discussion took place on the introduction of this bill into the house. When he came back from Europe he made a statement here which at no point suggested any concern on his part about the fact that, in the first six months of this year, every man, woman and child in Canada had been overtaxed—not just taxed but overtaxed—by $43 per head or, as I pointed out at that time, an average of $215 overtaxation for every family of five in this country, taking that still as an average unit. There was no suggestion by the minister that there should be any reason for concern about that overtaxation. On the contrary, he returned to the argument he had made from time to time that we should be pleased with the opportunity that such surpluses afford to make reductions in the debt of the country, by paying off certain of those obligations out of that surplus.

[Mr. Macdonnell (Greenwood).]

Mr. Chairman, some of these questions of principle may not have an immense appeal, but it is these questions of principle in relation to matters of that kind that determine whether or not our form of government is going to continue to have the vitality and the strength which it should have in these difficult years.

The point which, it seems to me, has not yet sufficiently impressed itself upon the government is that it is not the government's right to say: We fooled you by including an estimate which would do something good, but which we did not disclose to you at the time. That is like saying to a child to whom you have denied something: Well, my child, I am very sorry that it was necessary for me to deny you this knowledge at the time, but I always had the thought in my mind that I was going to be generous to you at some later date. That may, perhaps, be good child psychology; but we are dealing with the question of the responsibility of parliament and of the right of parliament to determine what money will be voted to the government itself for the business of Canada. The government has no right to place before the house estimates which contemplate the possibility of raising one cent of taxes beyond what they really anticipate and what they disclose to the house.

I have no doubt that the members of the house will support the government in sound business measures as long as those measures are discussed and as long as reasons for supporting those measures are put forward in clear and understandable terms. Nevertheless, it is a challenge to the authority of parliament at any time to say to parliament: We thought this would be a good idea. We did not mention it at the time we got the money, but we claim great credit for having overtaxed the people to a point that made it possible to do something good which you yourself never knew was going to be done. That is, in effect, exactly what we are told when it is said: There is a huge surplus. We did not disclose it. Perhaps we did not expect it, but we claim great credit for paying off the public debt.

By all means, let us do what is wise, sound and to the advantage of this country from the point of view of its economic strength and stability. But in the consideration of this section we come to a real question as to

whether or not the government was aware of the fact that there was going to be a big surplus of this kind. I would remind hon. members that when the budget was before the house last spring it was pointed out by members of the opposition that, in their belief, the government was planning for a surplus far in excess of that which was announced, and that the suggestion that certain taxes which were being levied were unnecessary was brushed aside. What I am saying now is directly relevant to a consideration of the importance of this section and the importance of impressing upon the government the fact that there must be some obligations under this section which have not been regarded. We pointed out over and over again that there was no need to impose a 25 per cent increase in the sales tax. We pointed out that there was no need to impress burdensome and irritating special excise taxes at a time when we clearly expressed our belief that the surplus would be far beyond the amount to be raised by these real nuisance taxes, and these taxes which have contributed so greatly to the increasing inflation in this country.

We are to be called upon before this session ends to consider a measure, the only measure put forward by the government, to deal with price maintenance agreements. The suggestion is that it would deal with inflation. What would have dealt with inflation a great deal more during this present session would have been to introduce some measures to correct the government's errors, and to have done away with these excessive sales taxes and excise taxes. That would have brought the government within some recognized sense of obligation to parliament to correct this position. It would have relieved inflationary pressures and it would not have simply placed before parliament a red herring like this legislation to deal with price maintenance which we shall be called upon to consider. We know that because of the time of the year the debates in this present session are drawing to an end; but I would remind the government that when its responsibility for overtaxation is being discussed every bank, every great financial organization in this country, every labour organization, every public body which has been called upon to present public reports at this time of the year in regard to our financial position, has emphasized the fact that inflation is the most dangerous thing that we face today in our domestic affairs.

Part of that inflation is being directly caused by the government's disregard for the figures it places before the house. Part of that inflation—and a substantial part of it—is being caused by these excessive taxes which are directly inflationary. I am talking about the 25 per cent increase in the sales tax and the special excise taxes which have all joined in giving us this more than $600 million surplus in the first six months. The government has done all these things, and instead of in any way correcting them while we are considering the measure of supervision there should be over our financial affairs the answer simply is that, it is true, we have a surplus. We are going to use it in a very good way by paying off debts.

This morning we had the statement by the parliamentary assistant to the Minister of Finance that the provincial treasurers in several of the provinces have also had surpluses, and that in some cases these have been on a proportionately higher basis than that of the dominion government itself. May I point out that the provincial treasurers make their estimates upon the projected figures of income given to the people of Canada through this house by the dominion government, and also through their statisticians. Every one of their estimates is prepared upon estimates that had been made available to them by the departments of the dominion government, either through the statistical department or otherwise. One of the reasons that they have had corresponding surpluses is the inflation which is going on and which is being aided, abetted and supported by the action of this government itself. That is one of the reasons that their surpluses have gone up. If there has been a miscalculation on their part, that miscalculation has been related to the miscalculations of the government of Canada which has placed these figures before us. I am not, however, putting any brief before this house on behalf of the provincial treasurers; they do not need it. But I am pointing out that what has been occurring in the provincial bodies is in the final result simply indicative of the fact that the estimates of the dominion government year after year have been disproved by subsequent events. While we discuss this section I would point out once again that although it may not be possible to place in it any mandatory provision which will correct the situation, I do believe that at this time, when we are considering the financial operations of the government itself, there should be a clear understanding on the part of all hon. members and of the government that the very first responsibility of parliament is to express its approval of any moneys which are granted to the government for the business of Canada, with full knowledge of the facts; and when the government makes a miscalculation on one side or the

other, an explanation is due to parliament which has not yet been given; and that by methods which are more accurate than this we have agreed that the government should seek in the terms of this act and in the spirit of this act to place before us figures so that members of parliament are really exercising their authority over the money voted to the government in this house.

Section agreed to.

Section 6 agreed to.

On section 7—*Regulations.*

Mr. Knowles: I wonder whether the parliamentary assistant will say a word or two on this section. I did not have the privilege of being a member of the committee on public accounts, but by keeping in touch with my colleagues who were I have tried to follow what has been going on in that committee. Further, I would point out that the printed record of the proceedings of the committee has not reached us yet, so that we cannot refer to it. I understand, however, that officials of the treasury board did make some statements to that committee with respect to the provisions of section 7 which would make possible rewards to civil servants who make suggestions for the improvement of government business. Can the parliamentary assistant say whether any such statements made it clear that it is the intention of the government to make use of the permission set out in section 7 (d) (i)?

Mr. Sinclair: When the secretary of treasury board was before the public accounts committee he did make reference to this. He also made reference to the very able study which the hon. member for Winnipeg North Centre has made of this question and the speech he made in the house on it. In industrial firms in both Canada and the United States it has been the common practice to offer, in the form of providing rewards, incentives to employees of all ranks who offer information or suggestions which help the operations of the firms. The United States government has had such a plan in operation in their civil service for some time, and it was thought desirable that we should copy that plan, and so section 7 (d) (i) is, for the first time, making formal provision for it. Up till now of course there have been sections in the Consolidated Revenue and Audit Act which prohibited civil servants from accepting rewards for the discharge of their tasks, other than the reward which they got through their salary.

The secretary of the treasury board, when asked about the regulation, said of course that the regulations could not be drafted until this bill became an act, but that it had already been given preliminary study and they hoped to have regulations in effect very shortly after the act was proclaimed.

Mr. Adamson: Will the rewards be tax free?

Mr. Sinclair: No, they will be income.

Mr. Harkness: So far as I understand the matter, the general purpose of this legislation in relation to the treasury board is to increase the powers of that board and to put it in a position where a very considerable amount of the routine material which up to this time has had to be dealt with by the privy council can be handled by the treasury board. In order to enable it to have these increased powers, these regulations, which the treasury board are authorized to make, are listed. I would like to refer particularly to paragraph (e), which reads:

> The treasury board may make regulations subject to any other act, for any other purpose necessary for the efficient administration of the public service.

It seems to me that that is a very wide power. I have wondered whether something else could not be substituted, because this would seem to give the treasury board the power to make almost any sort of regulation. All they have to say is that in their opinion it is necessary for the efficient administration of the public service. Could the parliamentary assistant tell us whether any consideration has been given to phrasing that differently, so that the power would not be so all-embracing?

Mr. Sinclair: After all, treasury board is merely a subcommittee of the cabinet. Many matters which, fifty or sixty years ago, may have been considered very important, including those affecting civil service employment, for example, are no longer dealt with by the cabinet. In practice however the treasury board minutes still have to be approved by the governor in council. The first part of the section does relate to the treasury board minute as the final authority in a great number of these routine cases.

Mr. Harkness: I do not think anyone objects to that.

Mr. Sinclair: I am sure that is so. Paragraph (e) simply puts into a statute what has been done by practice for many years. Perhaps I could give three or four samples of the sort of thing that has been covered by treasury board, under delegation of authority from the governor in council. These would include the settlement of damage claims against the crown; action to be taken with regard to damage to or loss of public property; compensation to employees for loss or damage to property or personal goods

occasioned in the carrying out of their duties; the placing of insurance on public property; financial liability to the crown, and some others. Insurance, for example, is not normally placed on public property, because the government of Canada is such an enormous holder of property that it can carry its own risk. In special cases however insurance is necessary.

These are routine matters in which the actual authority does rest with the governor in council but which, in practice, over the years, the governor in council has always delegated to treasury board. All we are doing is to make a provision in the financial administration bill which would make that statutory.

Mr. Harkness: I agree with everything the parliamentary assistant has said. But my question was as to whether any consideration had been given to phrasing this in some way which would not give what might be described as unlimited powers to treasury board.

Mr. Sinclair: They are certainly not unlimited powers, because these are all powers which are now held under statute by the governor in council. It is a matter of turning back to treasury board by the governor in council certain matters for final action. The difficulty in spelling it out is that this is a sort of basket section. One cannot foretell very clearly what these small matters, which come outside the regular run of affairs, may be. Under this measure they would be dealt with by treasury board, as they have been in the past.

Mr. Harkness: My own objection is that it is the kind of legislation which is capable of abuse. I am not saying that it will be or that it has been abused; but it puts treasury board in a position where it decides as to whether something is necessary for the efficient administration of the public service. They are the people who would decide it. They must make the decision as to whether they will make regulations—and, for all practical purposes, I would understand that these regulations are laws. Everyone must obey them, or they are subject to penalty.

It seems to me it could be possible to provide all powers required by treasury board without giving them what has been described by the parliamentary assistant as a basket authority—and, I would say, a bottomless basket.

Mr. Sinclair: I am afraid I have not made myself clear. The governor in council has these powers now. These are powers other than those spelled out in the statutes. For instance, they would include compensation to an employee travelling down from the Northwest Territories to fill a post in some other part of Canada and who, in the process of travelling, has lost his household effects which are moved by the government from the north country. Under the statute the governor in council has the right, first of all, to say whether a refund should be made, and then to say to what extent it shall be made. In practice the governor in council has always referred a matter of that kind to treasury board. True, treasury board would study it and place a minute, along with a great many other minutes, before the governor in council. But those would go through in routine fashion.

All that is being done now is to say that in those matters where the governor in council decides it should be handled by the subcommittee, it can be so handled.

Section agreed to.

Section 8 agreed to.

On section 9—*Management.*

Mr. Adamson: Mr. Chairman, I wish to make some observations, and also a suggestion. I believe what I have to say might properly be said under this section which states, in part, that the minister shall have control and direction of all matters relating to the financial affairs of Canada not by law assigned to any other minister. I believe I have quoted the pertinent part.

When the Minister of Finance spoke in the house the other day he mentioned—and I think accurately—the difficulty of estimating revenues as compared with the comparative ease in estimating expenditures. Therefore it seems to me that measures which would do away with double taxation are not only helpful to the taxpayer but are also beneficial to those authorities charged with the work of drawing up the budget. No other country in the world suffers from double taxation as much as we do in Canada. The Minister of Finance has admitted this, and has mentioned it as one of the problems of the whole financial structure of the country.

He has attempted in a small way to overcome these abuses of double taxation by making certain very small allowances on dividends paid by corporations. I would mention again that in the United Kingdom the corporation pays its income tax, and then the resultant dividend is sent to the shareholder as a tax-paid payment. In Canada, on both levels, the corporation and the individual pay income tax.

That is one matter which I suggest should be considered carefully by the government,

particularly when corporation taxation in some places has now reached something more than the 50 per cent level. I suggest it is not good economy and it is not helping to meet inflation to have these enormously high taxes. They serve merely to increase the final cost of the end product to the consumer.

However, that was not the case I wished to bring to the attention of the parliamentary assistant. What I wished to make clear is the matter of double taxation of taxpayers who pay municipal taxes. I have brought this to the attention of the government before and I do so again in the hope that some consideration will be given to the matter when the budget is under review by the Department of Finance.

At the present time municipal taxation is increasing at an enormously rapid rate. That taxation is imposed on the one security many people have, their house and home. It is being levied, not on the fairer principle of ability to pay but on the capital value of the taxpayer's home and property. If a man's income goes down, he pays less income tax, but so long as he lives in a house, the taxes on that house go up as the expenditures of the municipality increase. I consider that the fundamental security of the average Canadian is his house and home and every effort should be made to maintain that security. Therefore, I make this suggestion to the department that in the next budget provision be made to allow taxes paid to a municipality on the taxpayer's dwelling as a deduction from income for tax purposes.

Mr. Sinclair: The taxation policy of the government has nothing to do with this bill. That would be covered by the income tax bill and that would be the appropriate place to raise it. This section 9 has been in the act since confederation and it merely provides that the minister shall be responsible for the handling of the consolidated revenue fund. I think that if we are going to get this bill through we should confine ourselves to the actual sections.

Mr. Adamson: I simply wanted to draw this to the attention of the minister as we will not have another opportunity during this session to discuss it. It is a matter of great urgency in the country today and I repeat my suggestion that not only municipal taxation, but taxation for educational purposes, be allowed as a deduction from income. I realize that perhaps this should not be brought up under this bill but I crave the indulgence of the committee to bring it to the attention of the minister because it is of immediate and urgent importance and has a great bearing on the well-being of the country.

[Mr. Adamson.]

Section agreed to.

Sections 10 to 16 inclusive agreed to.

On section 17—*Minister may acquire securities.*

Mr. Macdonnell (Greenwood): If I may have the indulgence of the committee I should like to ask the parliamentary assistant a question with regard to section 7, subsection (e). I ask him to consider whether the words "the public service" are not unnecessary and whether the words "of public moneys" would not meet the point raised by the hon. member for Calgary East. I do not press this further at the moment; I simply ask the parliamentary assistant to consider it and perhaps he can let me know his conclusions later on.

In connection with section 17, I may say that we had a rather interesting discussion in the committee, particularly with regard to the management of public money. It seems to me that there has been some unwillingness to use words accurately in the department. We had a discussion in the committee on the question of supporting the bond market. From an interesting statement made by one member of the staff it became quite clear that during the war years the government, either directly or through the bank, bought and sold bonds to the value of some $2,700 million. I think everyone understood and no one criticized the reason for doing that. In order to maintain its securities in public favour and promote the sale of future securities the government had to concern itself with the status of the bond market.

I mention that because there is a great unwillingness now to use the word "support". Even as sensible a man as the minister backed away a little from the use of the word "support", although I shall quote his own words in a moment or two to indicate that he used several words where the simple word "support" would have done. I do this because this is an important matter and it is most desirable that we should have a clear understanding of these things. Otherwise we shall all be fooled and the public will be irritated. Of course, the public is irritated at the moment because a lot of them believed and, as I have said in this house before, were led to believe that somehow, if they bought a 3 per cent government bond at say par or better, it would not go below par.

A responsible member of the financial community once said that to me. I said to him, "Why cannot they go below par?" He said, "Because Mr. Ilsley said they would not." The parliamentary assistant shakes his head. I am not going to charge Mr. Ilsley with saying that—I am sure he did not say it—I am

simply pointing out that that impression got abroad. I should like to read just what was said at that time.

The other evening in the committee the minister expressed a view which I thought was most sensible, as to interest rates and prices. I thought that he was using words in their proper sense, but I do not think his predecessors were quite as careful in all cases. I have here a statement got out in 1945 entitled "Victory Bond Prices" which I received from a most respectable source and which contains a statement by the Right Hon. Mr. Ilsley and, more important and to me much more surprising, a statement which came from the Bank of Canada.

I cannot help but think how easy it must have been for a bond salesman, first, to make himself believe and, second, to make other people believe that this was virtually a guarantee that bonds would not go below par. What Mr. Ilsley said was quite general; it created what I would call a pleasant atmosphere toward the bonds. When I read the statement from the Bank of Canada hon. members will realize how far responsible people went to make themselves believe that low interest rates had become the law of the universe. Here is what Mr. Ilsley said:

> It will be of the greatest importance that we maintain, indeed assure, a ready and stable market for all these millions of bonds that we have sold. We have now the monetary and financial machinery and we have developed the methods for accomplishing this, and we will therefore be able to deal with any situation which may develop in a way which will keep faith with the millions of investors who are supporting the savings program in this national emergency.

There is nothing said there about guaranteeing bond prices, but I do not think anyone will disagree when I say that it would not need a very enthusiastic salesman to be able, as I said, to make himself believe and then to make his customer believe that what was really meant was that bonds would not go below par. Here is a statement taken from a Bank of Canada report which to me is surprising because it goes a good deal further. It reads as follows:

> Government bond prices reflect the level of interest rates. A decline in bond prices could happen only if interest rates were to rise. In my opinion, the needs of the future will require and enable the kind of monetary policy which has brought about the current level of interest rates. Continuance of this policy means stability in victory bond prices.

That does not say that the bonds will not go below par but I say again that I do not think it needed a very enthusiastic salesman to believe that. When I saw that statement I was surprised. It went further than I had realized that responsible authorities had ever gone. I have quoted this statement partly because I want to go on now and read a short statement the minister made in the committee. He said:

> I believe in the law of supply and demand with certain reservations. I do not believe there is any such thing as a fixed interest. I believe in the use of the interest rate, and so far as the government securities are concerned I think that the holder of government securities must buy them on this basis.

I would not disagree with a word of that. The only thing is I am sorry that responsible authorities ever led anyone to believe anything else. Of course in England they are busy now trying to reassert what I think all sensible people have believed, that fixed interest rates are something that are inimical to anything like a free economy. Continuing our discussion with the finance minister in the committee, we got onto the question of support, and I was a little surprised. The minister did not seem to like the word "support", but I am going to read what he said and leave it to any fair-minded man as to what these words mean. He said:

> All I think any government should ever attempt to do in the management of public debt is to see that there is an orderly and stable market for its securities, and the price that is paid for those should be determined over the long pull by the demand for them and by other matters of monetary policy in which of course no country can be entirely independent.

I come back to the words "orderly and stable market for its securities". I submit you can give no meaning to them whatever unless—and I think it a proper thing—it be that the government is supporting its securities just as we were definitely advised it did during the war and as it has done since. As a matter of fact up to 1948, I think it was, the Bank of Canada quite openly indicated what its paying prices were, and I hope we will have none of the make-believe which I suggest has taken place during the last few years. I do not think anyone who has cut his eye teeth in the financial community has any doubt whatever that assuring an orderly and stable market for securities means that you have to be ready to support the market. If it is going to have a sinking spell it would be in the highest degree foolish not to do so. We know it is done in England and elsewhere.

I have brought up these matters under the heading of monetary management. Someone may say: Well, are you not making an awful lot of fuss about the use of words? I do not think so because it seems to me that, unless we are going to be perfectly frank and clear with each other as to what is actually going on, unless our thinking is clear, our actions are apt to be foggy. I express the hope we

will not have any more—what shall I say—by-passing of the words which describe what is actually going on.

Mr. Wright: Mr. Chairman—

Mr. Sinclair: I think the hon. member for Greenwood has again done a service as far as the bond holders of Canada are concerned by drawing to the attention of the people once again that the interest rate on a bond is a price. I am glad he agrees with the statement the Minister of Finance made to the public accounts committee the other night. However, why I rise is not so much for that as to repeat, in fairness to the former minister of finance, Mr. Ilsley, the statements which he made when he was minister. It may be quite true that enthusiastic bond salesmen selling bonds during the war in patriotic drives may have led the individual citizen to believe that his bond was cashable at any time before maturity for face value. I am glad that the hon. member for Melfort just rose because my recollection is very clear that each year some member of the C.C.F. party—and it was generally the hon. member for Melfort—would rise and ask Mr. Ilsley whether or not he would guarantee that these bonds would be redeemable at any time for $100. On every occasion Mr. Ilsley was quite definite in saying no. He did think there would always be a good market for them and that the security of Canada was the best security that could be offered behind any bond, but at no time did he, speaking as minister of finance in the House of Commons, ever say or give any indication that they would always be redeemable at par. At the end of the war, the hon. member will recall, we put out one issue of savings bonds at a lower rate of interest which are redeemable, as is the case with the last issue, for their face value at any time. However, they were limited in the amount which could be held by any individual, and carried a lower rate of interest, which gets back to the point of the Minister of Finance (Mr. Abbott) that in no one instrument can you expect high security, high liquidity and a high rate of interest.

Mr. Macdonnell (Greenwood): I want to make it clear that the farthest thing from my mind was to suggest that Mr. Ilsley ever did so. I think he was a good man in adversity. I think immense pressure must have been put on him to go as far as he would go, and he certainly avoided it.

Mr. Wright: The parliamentary assistant to the minister has indicated Mr. Ilsley's stand quite correctly with respect to suggestions made by myself and others in this group with regard to having victory bonds issued during the war made redeemable at par. He did not do that although Mr. Ilsley did indicate that no government could afford to allow these bonds to fluctuate too violently. I think that is a fair statement of what he said. However, recently the Minister of Finance has been selling bonds at a very slightly lower rate of interest than was paid on other bonds which are redeemable at par. They seem to have come around to that idea, and the bonds that have been issued in the past three years if held for ten years will yield an interest rate of approximately 3 per cent, which is about the same rate as was payable on some of the older bonds. Therefore it can be done and is being done.

I am glad that the hon. member for Greenwood has come around to the point where he realizes that there must be a stable market for Canadian bonds. We in this group believe that, as well as the dominion government having the responsibility for maintaining a reasonably stable market for Canadian bonds, it should also be prepared to maintain a reasonably balanced economy in this country through the operation of certain controls. Do not let anyone get away with the idea that we have not got controls today. There is the control of taxation. There is the rediscount rate of interest which is controlled by the Bank of Canada. There are controls on borrowing. The government is using all these controls to maintain a reasonably stable economy, and I think they are right in doing so.

Mr. Adamson: The fact is that the Bank of Canada is almost the sole bidder for government bonds at the present time.

Section agreed to.

Sections 18 to 22 inclusive agreed to.

On section 23—*Uncollectable debts.*

Mr. Herridge: I should like to ask the parliamentary assistant a question on this section concerning uncollectable debts. I have noticed a few cases of companies going bankrupt and owing the department certain amounts for sales tax collected from their customers. I know of one company which, having collected sales taxes over a period of a year or so, owed them for that period or longer and then the company went into bankruptcy. I have personal knowledge of one or two companies where the department apparently made no attempt whatever to collect that sales tax from the estate. I should like to ask the parliamentary assistant to explain what is done by his department to collect these amounts owing in case of bankruptcies. Then, in the case of companies, I presume there is no criminal prosecution, but is there a criminal prosecution in the case of individuals owing sales tax?

Mr. Sinclair: This section on uncollectable debts was very carefully canvassed by the public accounts committee two years ago. Then last year we made a report to the house in which we recommended the write-off on uncollectable debts up to 1940. The uncollectable tax debts to which the hon. member is referring are handled by the Department of National Revenue.

First of all, in the case of bankruptcies when there is sales tax which had been paid by the purchaser, and which is still owing by the manufacturer who went into bankruptcy, I believe that the crown has a priority in the bankruptcy proceeding. In most bankruptcy proceedings there is nothing left and you cannot collect, but the crown is at least the first creditor. In my experience I have never heard the Department of National Revenue criticized for being too lenient in attempting to recover taxes owing. In the second place, where the receiver of funds for the government, whether they be sales taxes or unemployment insurance premiums, misappropriates the funds he is subject to criminal prosecution which is undertaken by the Department of Justice.

Section agreed to.

On section 24—*No payment out of C.R.F. without authority from parliament.*

Mr. Drew: I should like to make a short observation on this section. It states in most explicit terms that, subject to the British North America Acts, 1867-1951, no payment shall be made out of the consolidated revenue fund without the authority of parliament. I desire to go back again to the fact that there is a clear declaration by statute, which we are now approving, which should be regarded as having a very positive meaning that no payment shall be made without parliament actually knowing it is going to be made for that particular purpose.

I should like to quote what the Minister of Finance said about that surplus as recorded at page 1729 of *Hansard* for December 10:

> . . . we can congratulate ourselves, I think, that we have had a substantial surplus so far this year; because if we had not had a surplus we would have been obliged to borrow additional new money to the tune of $300 million to finance housing, the C.N.R. and other government loans and investments, and another $200 million to meet maturing debt, or $500 million in all.

Now, that is what the Minister of Finance told the house a few days ago. What he says in that statement is that, in the budget estimates presented to this house, he did not disclose $200 million required for refinancing, and he did not disclose these other obligations which the government would have been called upon to meet. This means that the budget was incomplete, in so far as the information to this house was concerned, to the extent of $500 million.

It is no answer to say that a very desirable course has been followed in paying off that $200 million of public debt which was maturing out of surplus instead of refunding it or issuing any new form of securities. I come back to the point of section 24, which we are now called upon to adopt as the law of this country. It says that no payment shall be made without the authority of parliament, and that means with parliament knowing it is to be paid for a specific purpose. No matter how good the idea, no matter how desirable the purpose, it is not proper for the government to make this decision as to how the money will be spent. The decision must be made when the need for it has been disclosed to parliament and parliament has approved.

Mr. Sinclair: A very important point here is that, so far as the refunding of maturing debt is concerned, or the payment of it, that is authorized by the statute which authorized that borrowing to be made in the first place. The borrowing referred to this morning of $111 million authorized this spring for the Canadian National expenditures is the authority of parliament to make that borrowing, and whether the borrowing is done on the open market or out of funds currently held in the consolidated revenue fund is a matter for the discretion of the minister under section 17 of this act, part II, where he is given management of public funds.

Mr. Drew: The point I am making, Mr. Chairman, and I do submit it is an extremely important point, is this. While there can be no question about the authority of the minister under the statute to refinance maturing obligations, while there may be no question about the legal authority of the minister and of the government to appropriate any surplus for any purpose, I am simply pointing out that any surplus is an overtaxation above the amount which parliament has authorized. The fact that the government is going to use that overtaxation or surplus, whichever you call it, for a particular purpose, as it has a legal right to do, does not justify the government obtaining the approval of a plan of taxation which will raise that money without parliament knowing that the money is to be raised for that particular purpose; that is my point. There are a great many things for which the government can appropriate money under various statutes, but when it is said that the government may not make payments out of the consolidated revenue fund without the

authority of parliament, I submit that means that parliament has the right to know in advance, before it approves the amount that will be made available to the government, exactly what the purpose is.

Mr. Adamson: I should like to ask one or two questions of the parliamentary assistant, so will the chairman call it one o'clock?

At one o'clock the committee took recess.

The committee resumed at 2.30 p.m.

The Chairman: When we took recess at one o'clock we were at section 24. Shall the section carry?

Mr. Macdonnell (Greenwood): Mr. Chairman, the hon. member for York West said he had one or two questions to ask. He is not here yet. Might that section stand over?

The Chairman: Shall the section stand?

Mr. Sinclair: Stand.

Section stands.

Sections 25 to 35 inclusive agreed to.

On section 36—*Accountable advances.*

Mr. Wright: Subsection 3 of this section reads as follows:

> The comptroller may recover any accountable advance or any portion thereof that is not repaid or accounted for as required by subsection two out of any moneys payable by His Majesty to the person to whom the advance was made.

As a general principle, I think this is a perfectly sound one, namely the principle that moneys owing to the crown should be recoverable out of money which the crown owes to the subject. I want to point out, however, that even a good principle can go too far. As to this particular subsection, questions were asked in the committee and it was determined that money could be recovered out of old age pensions, out of children's allowances, out of dependents' pensions and compassionate pensions paid under the Pension Act. That is a good principle, I think, where the moneys are owed because some false statement has been made in the obtaining of that money. But the principle can be carried to a point where it will work a real hardship on some people. I want to give an instance of where this might occur.

In western Canada, from 1906 on to 1912 or 1913, numbers of seed grain advances were made to settlers. Many of these seed grain advances were never paid. There is set up in the department a board which reconsiders these old debts. I have had occasion to take certain cases before that board and have found that the board has been most considerate. But in some of these cases those old advances have now multiplied to such an extent that they are three times the amount that was originally owed. Interest has been compounded for thirty years on some of these debts.

In taking a case before that board, I have found that they have considered the assets of the debtors as at today, and that they have made reasonable settlements in cases where these debts have been taken before them. But these old-timers who settled in the west have now an added asset in their old age pensions, and that added asset may be added to their total assets in order to determine the amount of the loan which is repayable, if this particular section is to be applied as it reads here. If it is not to be applied as it reads here in the section of the act, some amendment should be made either in this act or—and I think this would be preferable—the Old Age Security Act.

The Minister of National Health and Welfare certainly gave us to understand that when this old age pension became payable, it would not be attachable from any source. Now the crown can attach the old age pension through this section. Not only can the crown attach the old age pension but they can attach, for money owed to the crown, family allowances. If this particular subsection 3 of section 36 is to stand, I certainly think some amendments should be made to the Family Allowances Act, the Old Age Assistance Act, the Old Age Security Act and the Pension Act where it applies to dependents' allowances or compassionate allowances.

Mr. Sinclair: Mr. Chairman, the present discussion is appropriate under section 95, subsection 1. This section 36 is only as to regulations for the recovery of accountable advances made to persons in the public service. Section 95, subsections 1 and 2, is the section on debts due to the crown, and also there is provision there for the collection of old debts. Therefore if we let the matter stand until we get to section 95, I will speak to it then.

Mr. Wright: What about the seed grain loan? They are advances.

Mr. Sinclair: The seed grain loans or advances are not advances in this sense, that of being accountable advances made to a civil servant, for example, for travelling expenses, which he has to account for at the end of the year. That is section 36 which we are now discussing. But section 95, debts due to the crown, is the section which covers the remarks made by the hon. member, and

that was the section under which we discussed the matter in the public accounts committee.

Section agreed to.

Section 37 agreed to.

On section 38—*Term of contract that money available.*

Mr. Macdonnell (Greenwood): I wish to raise a question here as to the undesirability of importing into a contract terms which are not written into it and which are merely deemed to be there. This question was raised by the hon. member for Eglinton in the committee, and I propose to read something from his evidence. But first of all I want to meet the point which has been made—and I know it has been quite sincerely made—namely that the intent of this clause is to maintain the control of parliament over expenditures. Having said that, I wish now to read from evidence of the hon. member for Eglinton because I think he has made it clear, and I do not see any reason why the objective of those who framed the act cannot be achieved without running the risk which the hon. member for Eglinton pointed out. This is a quotation from the evidence of the hon. member for Eglinton in the committee:

> I can see the desirability for a provision like this from the point of view of maintaining parliamentary control over expenditure, but I am wondering how it is going to affect the rights of private persons contracting with the crown. Now, this seems to say that even though it is not made an express term of a contract entered into by the crown with a private person, nevertheless, by this legislation a term is imported into that contract which might work very seriously to the disadvantage of that person if he did not have the good fortune to be aware of the law. It may not be that that is the intention of the act, but it seems to me that that is a consequence that might flow from it.

Again, from the evidence of the hon. member for Eglinton:

> It seems to me there cannot be any objection to that term if it is written into the contract in every case, but I have a very strong aversion toward legislation which simply takes every government contract and says, whether there is a clause in there or not, it will be deemed that this clause is written in there, whether people contracting with the government know anything about it or not.

Before we go any further perhaps I might make this suggestion and it is certainly not said with any disrespect to the parliamentary assistant. This is a legal question and since the hon. member for Eglinton who is a lawyer is not here, and the Minister of Finance who is also a lawyer is not here, perhaps this clause might stand.

Mr. Sinclair: I can give the explanation which the minister gave when he came before the committee two nights ago on this very clause. It has always been a term of government contracts that there was a condition that a parliamentary appropriation would have to be passed. That is the first question.

Mr. Macdonnell (Greenwood): Does the parliamentary assistant mean an implied term?

Mr. Sinclair: It has been a term as far as practice is concerned. I am quite sure any contractor who consulted his lawyer with regard to the terms of such a contract would learn that since confederation it has been to the knowledge of every contractor doing business with the government that first of all a parliamentary appropriation would have to be passed; and second, there would have to be unencumbered funds in that amount. The first situation which arises is mainly owing to the climatic conditions of this country. Our estimates are brought down during the course of the spring session. They are generally not approved until June or July. Public works in the northern part of the country, if they are not commenced in May or June, are very likely not to be finished before the cold weather arrives. Contractors have been willing to undertake those contracts with the knowledge that if parliament did not approve the appropriation then there would be no money forthcoming. But the minister did point out that since confederation there has never been an occasion like that. The different point that arises of course is one which could have arisen in 1949 where, between the submission of the estimates in the house and their final approval by the house, an election intervened. In that case I think the contractor would be doubly careful not to embark on any contract with respect to which there might be some likelihood of another government coming in and not going ahead with it.

All that this section 38 now contains in statutory form is the practice which has been followed since confederation. The point raised by the hon. member for Eglinton was not that. He went along with that, but he thought that it should be a term written and spelled out in every government contract that this was subject to an appropriation of parliament being voted and being available. It was pointed out at that time that the great bulk of government contracts are not affected by this consideration. It is the contracts which are awarded for work such as those which, because of the short construction season in many parts of Canada, have to be commenced late in the spring if they are to be done at all. And certainly every contractor who puts in a bid for that type of work is well aware that there has been this practice since confederation, of there being a contingency of payment that parliament should pass the appropriation.

Mr. Macdonnell (Greenwood): The parliamentary assistant has spoken with great certainty. What he actually says is that this practice is within the knowledge of every contractor. That is a pretty broad statement. As a matter of fact, the hon. member for Eglinton, who is a man of very considerable legal practice and not a man who shies at shadows, was equally positive that he did not think this was within the knowledge of every contractor, and that there may be cases where the practice is not known. The question I want to ask is: Can there be any possible objection to having it written in the statute that it has to be written in the contract? Can there be any possible conceivable objection to that?

Mr. Sinclair: It was pointed out the other evening that, as far as the big contracts are concerned, the contracts to which this thing might apply, the contractors knew. When I say "every contractor knows", I mean every contractor who is going to bid on one of these northern projects.

Mr. Macdonnell (Greenwood): Why not the little fellows, too?

Mr. Sinclair: The ordinary tens of thousands of little purchasing orders which the government undertakes yearly are not affected by this type of condition, and certainly there would be no point in inserting that stipulation in every little purchasing order made by the government. That was the opinion expressed by the minister and by the deputy minister of finance when this point was raised in the public accounts. The fact that never since confederation has the issue arisen shows that the practice is well understood by those who are contracting for this type of work.

Mr. Macdonnell (Greenwood): I think that is fair comment, but I do not think it covers the case fully. I come back again—and I am not going to take the time of the committee on this—to the point, and say that nothing has been said yet which makes me believe that there is any difficulty in these contracts. I have no doubt that a formal clause could be put in, but you could make some reservation, if you want to protect cases where there is merely an exchange of letters, or something of that kind. But I do not think any effective answer has been made to the request of the hon. member for Eglinton.

Section agreed to.

Sections 39 to 62 inclusive agreed to.

On section 63—*Accounts of Canada.*

Mr. Macdonnell (Greenwood): I just want to say a word about this section. I had rather hoped that some change might be made in the form of casting up the public accounts, bringing them nearer to the income and expenditure system which is practised in business; but I must confess that after hearing the arguments made, after hearing the practices and reviews made in Great Britain quoted, I was convinced that probably no substantial change should be made. The Minister of Trade and Commerce will not mind my saying that I quoted him once or twice as having referred to the somewhat unusual way in which public accounts are kept, compared with those of private corporations; and I also quoted anonymously a preceding minister of finance who used to speak in the same way. I must confess the great aim of public accounts, which is to maintain the authority of parliament year by year, seems to me to be served by the present system, and therefore I have no criticisms to offer.

Mr. Adamson: The question I have to ask arises from a statement of the Minister of Finance. I asked about the redemption of securities that were paid off and he said he did not have the information there at that time. I would imagine it would be under this clause that securities redeemed and paid for would be enumerated.

Mr. Sinclair: Was this question asked in the public accounts committee?

Mr. Adamson: No; it was asked in the house. I am not a member of the public accounts committee. I asked the Minister of Finance what were the serials, what were the securities that were paid off? He mentioned that a certain number of securities were paid off, and that the surplus had been used for that purpose. I would imagine that under this clause the numbers and the amounts of the dominion government securities redeemed would be mentioned.

Mr. Sinclair: If the hon. member is referring to the statement that part of the surplus this year was used to meet the maturities which became due this year, they are normally shown in the public accounts, but of course the present year's retirements will not be shown in the last volume of public accounts because it has to do with the fiscal year ended March 31, 1951.

Mr. Adamson: I see that. My point is, there is no way of knowing where the current repayments of our funded debt are shown; that is, they are not shown until a year later in the public accounts committee.

Mr. Sinclair: That is true of all the public accounts of Canada. But any member of parliament who wants specific information on a current transaction can put a question

on the order paper and receive from the department the information he wishes to have.

Mr. Adamson: I realize that. I did ask the Minister of Finance, and he said he did not have the information. I feel it would be helpful if some arrangement could be made, when a certain security is redeemed and paid off, to have the information brought down and tabled in the house.

Section agreed to.

Sections 64 to 75 inclusive agreed to.

On section 76—*Crown corporations.*

Mr. Macdonnell (Greenwood): Mr. Chairman, I wish to make some comments with respect to section 76, the first of the sections under part VIII, which deals with crown corporations. I believe this part of the bill does a good deal to clarify the situation. However, there are two points I should like to raise. First of all, a good many of the crown corporations are incorporated under the provisions of the dominion Companies Act. While I appreciate that there may have been some convenience in that—and, it may be, an overwhelming convenience—nevertheless on the face of it it seems to me undesirable that crown corporations should be incorporated under a statute which gives the powers given by the Companies Act. Many of those powers are utterly unsuitable to an emanation of the crown.

For example, let me refer to a few of the powers given under section 32 of the dominion Companies Act. Under that section a company has power to carry on any other business which may seem to the company capable of being conveniently carried on; it has power to purchase or otherwise acquire and undertake all or any of the assets of any other company; it has power to amalgamate or enter into partnership, and so on. I will not go through the list of them.

Members of the committee will agree that those to which I have referred are not powers suitable for crown corporations set up for very definite purposes. I would like to hear some comment from the parliamentary assistant; and perhaps the Minister of Trade and Commerce might care to comment upon it. This question of powers is of some importance. There may be other controls within the departments concerned which may hedge these broad powers round. Of course one is not going to assume that the directors will be so irresponsible as to take advantage of powers to which perhaps they have a technical right, but which they were never intended to enjoy.

It does not seem to me a sensible practice to have companies incorporated with powers they were not intended to have. I am wondering whether there is any real objection to these powers being spelled out in the statutes, as actually is the case in connection with some of the crown corporations.

Mr. Sinclair: In answer may I point out first of all that this bill has nothing to do with the actual form of incorporation of crown companies. What it is doing for the first time is to give a uniform measure of financial control over those companies divided into the categories set out in the schedule. Why some crown companies were set up under the dominion Companies Act, and other crown companies set up under special statutes of parliament, is a question I cannot answer. Further, it is a question beyond the scope of the bill.

The purpose of the bill is to provide a uniform method of financial control for the various types of crown corporations, and to provide for their annual reporting to parliament, through the appropriate minister. Perhaps the point raised by the hon. member could be dealt with more adequately by the Minister of Trade and Commerce.

Mr. Howe: Mr. Chairman, the crown companies that are of major importance at the moment are those that compete in fields which are not occupied by private industry and are not likely to be occupied by private industry, but which have the same problems as are met by privately-owned companies formed under the Companies Act.

It is my own theory that they should have the same latitude as private companies, subject to the checks provided through government ownership. All such companies must have their budgets for the year approved by the governor in council. I believe it is to be the practice that the budgets will be examined in future by a committee of parliament. I have suggested some time in the past that that be done, but parliament has never taken any particular interest in that phase of the matter. After obtaining approval they are allowed to proceed to carry out the approved items in the budget, pretty much as management shall decide, but with a close check on finances by the department and by the Auditor General.

I think it would be a mistake to limit the powers of a crown company to the extent that its management could not carry on business as effectively as could a private company in the same field. We have two very prosperous crown companies; and I think the reason for their prosperity is that their directors have been able to function

as well under government ownership as they would have if the companies had been privately owned.

Mr. Macdonnell (Greenwood): And, as the minister has explained, the reason is that they are not crown companies: they are his companies.

Mr. Howe: Well—

Mr. Adamson: Would the new St. Lawrence authority come under this regulation?

Mr. Sinclair: Not yet, because it has not been established. The departmental corporations, agency corporations and proprietary corporations set out in the schedule provide the classifications in which any new crown agency would be placed. Where it should be placed will be decided when the time comes. The Minister of Trade and Commerce now informs me it will come under schedule C.

Mr. Adamson: And the audit of expenditures, whether it be a company authority, or in some other form, would come under this section?

Mr. Sinclair: Yes; section 77 refers to the audit of crown companies. Most of the audits are carried on by the Auditor General. I am informed it is the intention that the St. Lawrence seaway authority will be audited by the Auditor General, and his report is of course submitted to parliament.

Mr. Green: Would the Minister of Trade and Commerce name the two companies to which he had reference a moment ago?

Mr. Howe: The Polymer corporation and Eldorado. They are the two producers.

Mr. Green: Both have monopolies, have they not?

Mr. Howe: Yes; if they did not have monopolies they would be crown companies in a competitive field, which is contrary to government policy.

Mr. Wright: When the bill was before the public accounts committee I endeavoured to have an amendment made to one of the sections whereby not only would the annual statements of crown corporations have to be tabled in the house, but they would have to be placed before some special standing committee of the house for consideration. My amendment was ruled out of order.

I agreed that it might not have been in order, although as a result of it it was found necessary to change another section which had been passed earlier. No one had noticed that in that section there was a reference to a special committee of the house.

[Mr. Howe.]

Two years ago and again this year, in its recommendations to the house, the public accounts committee has recommended that the annual statements of these crown corporations should be placed before special standing committees. I asked Dr. Clark, the deputy minister, if there was any reason from his department why these annual statements should not be placed before special committees. He said that in his opinion there was no reason.

Today the government is in business in a big way. Some of these crown corporations are handling more money than is being handled by some departments of government. I referred in particular to the wheat board and I suggested that that board be placed in one of the schedules to the act. It was pointed out to me that there were certain disadvantages in doing that, and I agreed. Probably there are regulations in the act which would not be applicable to the wheat board. However, we have this wheat board, a crown corporation, handling hundreds of millions of dollars' worth of the growers' money each year. Those growers have no way of checking the annual statements beyond reading them. There is no body representing the growers before which the annual statements of the board can be placed and considered by the growers. They must depend upon this House of Commons to do that for them.

When the act was brought in the then Minister of Trade and Commerce said that the annual statement of the wheat board would be placed before the agricultural committee at each session, but that has not been done for the last three years. Someone may say that we would have a chance to discuss this matter under the estimates. I have before me the estimates for 1951-52 and there is no item in them dealing with the wheat board.

The wheat board is not handling government money; it is handling the growers' money. The wheat board was set up to handle the assets of the farmers of western Canada. As a parliament we have the responsibility of seeing that each year the statement of the wheat board is placed before a committee of this house so the officers of the board may be questioned. I am a firm believer in the wheat board and I think the present officers are doing an excellent job. I do not think there is any doubt about the accounting they are giving, but if the wheat board is to function satisfactorily I think each year its statement should be placed before a standing committee of this house, preferably the agricultural committee, so that the growers may feel that there is some responsible section of parliament giving consideration to

these annual statements. I should like the Minister of Trade and Commerce to tell us just why these annual statements have not been placed before the agricultural committee for the last three years.

Mr. Howe: The annual report of the wheat board was placed before the agricultural committee in 1949. I have said many times, as reports of crown companies are laid on the table of the house, that if any committee was interested in having the reports referred to them I would be delighted to sponsor such reference. I made that offer to the agricultural committee this year but I was informed that the committee did not care to hear the officers of the wheat board.

Mr. Wright: That is hardly a correct statement. That has not been done for the last three sessions. Last year I wrote the chairman of the agricultural committee asking that the committee be called together for the purpose of considering amendments to the Canada Grain Act and I was told that the committee was not going to be called together. If the committee had been called it was my intention to ask that the accounts of the Canadian wheat board be placed before it. Although I was a member of that committee I was refused the right to have the committee called together to consider the Canada Grain Act.

Mr. Howe: The committee could have been called together to examine the report of the wheat board if that had been the wish of the committee. Evidently it was not. If my hon. friend called their attention to it and the committee did not take action he can hardly blame the minister. I would have been delighted to refer the report to the committee. As a matter of fact, I made inquiry as to when the officers of the wheat board could be present in Ottawa and I gave that information to the chairman of the committee.

Mr. Wright: The committee did not meet although it was requested that they should. I am not blaming the minister for that because it is not his responsibility. It is the responsibility of the government to call a committee when a member asks that it be called.

Mr. Sinclair: I was asked earlier about the St. Lawrence seaway and I have been advised that when the Minister of Transport was piloting through the bill he said that that would be regarded as a crown corporation and therefore would come within section 76 (3) of this bill.

Mr. Knowles: He also gave the undertaking that the necessary order in council would be passed.

Mr. Adamson: I was interested in the method of financing that necessary work.

Mr. Macdonnell (Greenwood): The question raised by the hon. member for Melfort has been left in a most unsatisfactory position. I do not think it is a very practical answer for the Minister of Trade and Commerce to give when he says that a committee could ask to have a report brought before it if it so desired. There are some crown corporations for which there is no relevant committee. I think the hon. member for Melfort has made a practical suggestion. After all, let us be realistic about this. Committees always have a government majority and do not meet unless the government wishes them to meet. Some practical means should be provided, even though it is nothing more than an undertaking.

These crown corporations are becoming increasingly important, and with the various things that are on people's minds it should not be left to the initiative of somebody, we do not know who, to decide that this shall be done with these reports. In the name of common sense, let us devise some plan. Either the minister or the parliamentary assistant stated that it was a reasonable thing to do. If it is a reasonable thing to do, why not take reasonable means to see that it is done.

Mr. Sinclair: This Financial Administration Act does not provide the means of seeing that it is done. Once a report is tabled in parliament it is in the possession of the House of Commons, not of the government. It is quite true that today the annual reports of the C.N.R., the T.C.A. and the C.B.C. are referred to committees. The Minister of Trade and Commerce has stated that he is more than willing to have the reports of other crown corporations referred to committees.

It has been said that there are some crown corporations which do not come within the ambit of existing committees, but I would point out that the annual reports of all but four of the crown corporations are contained in the public accounts, and even those four will be after this year, and the public accounts committee could consider any which did not fall clearly within the jurisdiction of existing committees.

The hon. member for Melfort has pointed out that for the second time the public accounts committee has recommended that the house should refer these reports to committees when they are tabled, but I repeat that the Financial Administration Act is not an act under which we should consider just how annual reports should be dealt with after presentation to parliament.

Mr. Macdonnell (Greenwood): That last remark is probably justified and I was not suggesting that that be done here and now. What I had hoped for was some indication that the matter would be pursued. Is the reference of the report of the Canadian National Railways to the committee each year something which must be originated each year or is there some standing arrangement whereby that is done?

Mr. Sinclair: It is my recollection that when the Minister of Transport tables the annual reports of the C.N.R. and T.C.A. he then moves that those reports be referred to the special committee on railways and shipping owned and operated by the government.

Mr. Macdonnell (Greenwood): I think that is the complete answer. That is exactly what I was hoping the parliamentary assistant was going to say. Why should that not be done with regard to other reports? Why should they not be referred to the appropriate committee in each case, and if there is no appropriate committee why not adopt the suggestion of the hon. member for Melfort and set up a kind of catch-all committee? As to that last suggestion, perhaps the parliamentary assistant will say that the public accounts committee is the catch-all committee. I am not so sure that is right. I would think that some of these reports might much more reasonably be referred to other committees. Some of them deal particularly with agriculture and they might be referred to the standing committee on agriculture. I understand the hon. member for Melfort would be satisfied if the same procedure were adopted with regard to such reports as that which is adopted with respect to the Canadian National Railways.

Mr. Howe: I might point out with respect to the complaint of the hon. member for Melfort that he asked that the standing committee on agriculture be called together to amend the Canada Grain Act, which is something quite different. It was not called for that purpose, and he said that if it had been he had intended to ask the committee to call before it the officers of the Canadian wheat board. I suggest that is pretty remote as far as censuring the government is concerned.

Mr. Wright: I must say that at some stage in every session I have asked in speeches I have made that the annual accounts of the Canadian wheat board be referred to the committee on agriculture. I do not think there has been a session in which I have not made that request. I would be very well satisfied if the minister would accept the suggestion and carry out the procedure followed by the government with respect to Canadian National Railways. When these annual statements of crown corporations are tabled in the house the minister tabling them could refer them to the appropriate committee. I do not think the public accounts committee is the appropriate committee to which all these annual statements should be referred. For instance the report of the agricultural prices support board would naturally go to the committee on agriculture. Then there is the fisheries support board, and I think its report should go to a different committee. Each crown corporation falls naturally within the scope of some standing committee of the house. I do not think they should all be referred to the public accounts committee.

If the public accounts committee carries out its job of examining the public accounts each year it has a pretty full schedule before it. It could handle some of the annual statements but certainly I do not think it should handle them all. I do not think they would fall naturally within their purview. Committees of the house are usually set up having in mind the interest of members in the particular subject with which the committee deals. I think these annual statements when tabled by the ministers should be referred to the appropriate committee. I think the government is quite capable of deciding what is the appropriate committee. I think the same procedure should be followed as in the case of Canadian National Railways. When a report is tabled it should be referred by the minister concerned to some standing committee of the house.

Mr. Howe: There is a procedure which my hon. friend could always have followed in order to bring any report before any committee he liked provided he was a member of the committee. That procedure was not to make a speech in the House of Commons. The procedure is to call the committee together, make his request to the committee and have the committee request that the matter be referred to it. That procedure was always open to him, and to my knowledge he has never followed it.

Mr. Wright: I beg your pardon. Last year as a member of the standing committee on agriculture I wrote a letter to the chairman, a copy of which I sent to the appropriate committee clerk, asking that the committee be called together for a specific purpose, and my request was refused.

Section agreed to.

On section 77—*Auditor General eligible.*

Mr. Macdonnell (Greenwood): There is one point I wish to raise.

The Chairman: On 77?

Mr. Macdonnell (Greenwood): Yes, I think I can raise it on 77. Perhaps I should have raised it on 76. I have been looking over the directorates of crown corporations and I think there is one comment that should be made. Companies that are carrying on outside business in the ordinary commercial way have a considerable number of outside directors on their boards. That seems sensible to me because businessmen ought to be able to make some contribution from their experience outside. Some crown companies have boards composed exclusively of civil servants. I think in some cases that is perfectly reasonable because where a company is what one might call a purely legal creation for the purpose of carrying out certain decisions of a department then I would not question the board being composed wholly of civil servants. However, in cases where that is not so—and I say this with the utmost deference to civil servants for whom I have high regard—and where the members of the board are expected to bring independent judgment to the decisions that are made, I do not think it is fair to have civil servants as members because unless they are men of outstanding courage, and probably independent income also, it is not fair to expect them to hold a view contrary to that of the minister.

I am not saying this by way of complaint because in most cases I have seen, where companies are carrying on an independent life, they have independent boards. I have not examined them all carefully enough to know exactly where the division comes, but I put that forward because it seems to me to be a sensible principle.

Mr. Sinclair: Once again, this bill has nothing to do with the appointment of directors to the various crown corporations. That is provided for under the various statutes incorporating the corporations. The purpose of this bill is to provide for uniform financial control, audit and report to parliament of the corporations that have already been set up. The observations made by the hon. member would be perfectly in order with respect to any of the crown corporations mentioned so far as their own acts of incorporation are concerned, but they have nothing to do with this financial administration bill.

Mr. Coldwell: Under what audit does the national film board come?

Mr. Sinclair: The national film board is not a body corporate. It is part of a department of government. It would come under schedule A, Department of Resources and Development.

Mr. Coldwell: I asked the question because we have looked into the affairs of the Canadian Broadcasting Corporation on a number of occasions, and I want to take this opportunity to say that, inasmuch as we have investigated the Canadian Broadcasting Corporation this session, I think provision should be made next session to review the work of the national film board in the same manner. I think members of parliament are not familiar with its work and I think the board should have an opportunity to appear before a parliamentary committee and members of parliament should have an opportunity of going into its operations.

Section agreed to.

Sections 78 and 79 agreed to.

On section 80—*Budgets.*

Mr. Macdonnell (Greenwood): The first subsection refers to "each agency corporation," and the agency corporations are in schedule C which contains Canadian Arsenals Limited, Canadian Commercial Corporation, and so on. The subsection reads:

> Each agency corporation shall annually submit to the appropriate minister an operating budget for the next following financial year . . .

Subsection 2 reads:

> For each corporation the appropriate minister shall annually lay before parliament the capital budget . . .

As I understand the use of the words "capital budget" it means just what it says, that we are not going to get an operating statement. If I am wrong on that point I will be very glad to be corrected, but if I am right I do not see why under subsection 2 we should not have—if I am using the words as used by the department—both a capital and an operating budget. After all, we are responsible for finding the money to operate.

Mr. Sinclair: I think that question was best answered by the Minister of Trade and Commerce a moment ago. After all, an agency corporation is in effect an agent of one of the departments. But these other corporations, which are set up independent of the operations of any department, may very often, as the member for Greenwood pointed out, have directors who are not civil servants, directors who are chosen from the business life of the country. Some of these businesses are very successful. These corporations should have a certain degree of independence such as they would have if they were private corporations. I believe that the member for Greenwood, who has just made this plea that these corporations should be directed by men with real business training, would be the first to realize that these directors, if asked to prepare an operating budget which is going to be subject to the direction or control of parliament, would

say we might as well be an agency of the government.

Mr. Macdonnell (Greenwood): How does the parliamentary assistant read the word "corporation" in subsection 2? Does he read that as meaning a proprietary corporation or an agency corporation or does he read it as meaning all crown corporations generally?

Mr. Sinclair: In section 78 it says that sections 79 to 88 inclusive apply to agency and proprietary corporations. Unless one is specifically mentioned as either type of corporation, it means both agency and proprietary corporations.

Mr. Macdonnell (Greenwood): Then the distinction which was made is wrong, because the distinction which the parliamentary assistant has just made, if I understood it correctly, was on the basis that this would apply to proprietary corporations.

Mr. Sinclair: That is right, but proprietary corporations were the ones which did not have to submit their operating budgets. Both types of corporation have to submit their capital budgets.

Section agreed to.

On section 81—*Bank accounts.*

Mr. Macdonnell (Greenwood): I should like to set out my understanding of subsection 3 of section 81, and ask the parliamentary assistant if that is his understanding, too. I believe it is a matter of some importance, so I shall read subsection 3:

> Notwithstanding the other provisions of this section, where the appropriate minister and the Minister of Finance, with the approval of the governor in council, so direct, a corporation shall pay to the receiver general so much of the money administered by it as the appropriate minister and the Minister of Finance consider to be in excess of the amount required for the purposes of the corporation, and any money so paid may be applied towards the discharge of any obligation of the corporation to His Majesty, or may be applied as revenues of Canada.

What I want to ask is this. Whatever earnings are applied to the revenues of Canada are in aid of the taxpayer. My understanding is, and it is this I want to have confirmed, that in considering the accounts of any such corporation the minister will consider the question of what is capital and what is income according to the normal accounting methods; that is to say, as nearly as possible to what an ordinary, prudent corporation would do, and whatever is prudently regarded as income will be applied to the revenues of Canada.

Mr. Sinclair: That is exactly the situation.

[Mr. Sinclair.]

Section agreed to.

Section 82 agreed to.

On section 83—*Awarding of contracts.*

Mr. Adamson: This is the section under which contracts are let by the various crown agencies. I gather that under this section there is complete freedom in the method of letting contracts. In other words, one year a crown company may call for open tenders to do a certain amount of work; the next year may appoint the Department of Public Works to do a certain amount of work; the next year may make a private contract without public knowledge at all, for another piece of work. Is my interpretation correct?

Mr. Sinclair: To begin with, so far as proprietary corporations are concerned, they obviously must be given the same freedom as any other private company such as the C.P.R. or the Hudson's Bay Company. So far as an agency corporation is concerned, since they are closer to the government in one sense, they come under the same conditions for contractual commitments as would a department of government. This section 83 would exercise more control over the way in which agency corporations can undertake contracts than has existed before.

So far as the proprietary corporation is concerned, however, it has the same latitude as any private company.

Mr. Adamson: A proprietary corporation such as Eldorado or Polymer may make a private contract without calling any open tenders or could ask the government to do the work? They are completely free to undertake work without consulting the government or the treasury board in any way?

Mr. Sinclair: Since the hon. member cited Eldorado, I shall put it this way. The directors have exactly the same powers, so far as operating their business is concerned, as would the directors of Hollinger.

Mr. Macdonnell (Greenwood): Am I right in thinking Eldorado is a company incorporated under the dominion Companies Act?

Mr. Sinclair: Eldorado is under the dominion Companies Act.

Mr. Macdonnell (Greenwood): So there is no regulation of any kind which limits the powers of the directors under the dominion Companies Act. There is nothing as between them and the department or between them and the minister; they are literally just as free as if they were the directors of a private company.

Mr. Sinclair: There is the same judgment exercised by the directors of a private company as by the directors of a proprietary corporation as to the use they can make of the powers given to them. Both of them are anxious to make the greatest possible success of their operation.

Mr. Adamson: This applies to Central Mortgage and Housing as well? They have the right, without calling public tenders, to undertake a housing project? They could do that under this section?

Mr. Sinclair: But obviously Central Mortgage and Housing are under scrutiny by parliament, and they are going to conduct their affairs in the very best and most businesslike way.

Mr. Adamson: I am not contesting that argument at all. I am just saying that this machinery allows them to undertake, without calling public tenders, the work that they require to have done.

Mr. Sinclair: They have the same powers as would any other private corporation incorporated under the dominion Companies Act.

Mr. Macdonnell (Greenwood): I do not propose to take any more of the time of the committee on this, but I do not wish my silence to indicate I am convinced.

Section agreed to.

Sections 84 to 88 inclusive agreed to.

On section 89—*Notice to persons failing to pay over public money.*

Mr. Macdonnell (Greenwood): I just wish to make one comment here which might be of interest to the committee. When this bill was before the public accounts committee I asked a question as to whether government officials were bonded or whether the risk was carried inside the four corners of the government operation. We were told it was carried within the government operation. The reason I have risen to my feet is that we were given figures showing the small amount lost in all the years, and they were astonishing. If the parliamentary assistant has those figures, will he give them to the committee?

Mr. Sinclair: I am gratified by the hon. member's suggestion, because it is an indication of the high calibre of our civil servants. There is one section, section 98, which spells it out specifically. When we reach that section I shall put on the record the losses over the last few years.

Section agreed to.

Sections 90 to 94 inclusive agreed to.

On section 95—*Debts due to crown.*

Mr. Wright: I do not want to repeat the argument which I made on section 36 and which the parliamentary assistant to the minister stated should be made under section 95. He indicated that he would answer me on section 95.

Mr. Sinclair: As far as seed grain debts are concerned, I find that they are covered by a separate statute, an act respecting certain debts due to the crown, assented to in April, 1927. That is the statute under which the adjustments to which the hon. member referred have been made. This statute still is the governing statute as far as these particular types of debts are concerned. There is therefore no change in the practice.

Mr. Wright: There is a change in the practice. I understand that under that statute the assets of the applicant are taken into consideration in determining the amount that he should pay on his debt. He will now have an added asset, under the Old Age Security Act, as a result of the payment of so much each month. If I understand the act correctly, that will be included in his assets and will be taken into consideration.

Mr. Sinclair: It is scarcely an asset in the ordinary way of describing an asset. It is a future income. Even if the same recipient had come due a private annuity which brought him $40 a month for a period of time, that would not be regarded as an asset but would be regarded as current income. If that type of thing was in the past regarded as coming within the scope of this debt adjustment act, then probably the old age pension payments are too. I can find out definitely for the hon. member and give him a written statement on it.

Mr. Wright: Does the parliamentary assistant to the minister not consider that these payments made under the Family Allowances Act, the Old Age Assistance Act, the Old Age Security Act and under the Pension Act where they are paid on compassionate grounds or to dependents of veterans, are in a special class and that they should not be attached under this section of the act for debts owed to the crown?

Mr. Sinclair: As to debts owed to the crown, it is quite easy to say that there should be no attachments. But there is another person who should be considered and that is the taxpayer, the man who has put up the money for all government payments. If an overpayment of crown money has been made to an individual, then I think most of the taxpayers of this country would think that

there should be some right of recovery out of other payments made to that person from the consolidated revenue fund. As to the actual practice, it is unlikely that the mother receiving family allowance is going to have any substantial debt due to the crown on which recovery is going to be attempted. I think it is almost as unlikely that there will be many persons at age 70 who will owe substantial debts to the crown. If they have been overpaid through old age pension payments or disability pension payments and things like that, I think that most of the taxpayers of Canada, knowing that these people had obtained too much money out of public funds, would expect the treasury of Canada to try to recover those overpayments out of future payments from the treasury of Canada.

Mr. Wright: I agree with the minister where the overpayment has been as a result of the particular act under which the pension or allowance is being paid. But where it is a debt that has no connection with that act, where it is a debt that has been acquired perhaps fifteen or twenty years previously, and is a debt that is still owing to the crown, I do not think that it should become attachable under this section.

I agree with the parliamentary assistant to the minister that where false statements have been made or where overpayments have been made—even by mistake—to the recipients of the particular pension in question, they should be recoverable; but as to debts that may have been owed to the crown twenty or thirty years previously and are still owing because of the inability of the debtor to meet those debts, when eventually he comes to the age of 70 years and becomes eligible for the old age pension, this provision allows the crown to collect those debts; in fact, it makes it almost compulsory for the crown to do so. I think that the parliamentary assistant to the minister will find that there will be a good many cases where debts have been owed to the crown for a number of years and where now there will be an asset on which the crown can collect. Outside of something that has to do with the act itself, I do not think that these pensions under the Old Age Assistance Act, the Old Age Security Act, the Family Allowances Act or the Pension Act in connection with pensions to dependents or parents on compassionate grounds, should be attachable for old debts that had no connection whatsoever with the act itself. I think that the Old Age Security Act, the Old Age Assistance Act, the Family Allowances Act and the acts covering pensions paid to dependents of veterans and those paid on compassionate grounds under the Pension Act, should be amended to provide that the pension would not be attachable for those ancient debts that might have been acquired by the citizen during a former period.

Section agreed to.

Sections 96 to 102 inclusive agreed to.

On section 24—*No payment out of C.R.F. without authority from parliament.*

Mr. Adamson: Mr. Chairman, the questions I wanted to ask on section 24 I have asked subsequently on section 63, and they concern the repayment of the funded debt. I therefore have no further objection to section 24 carrying.

Section agreed to.

Schedules A, B, C, D and E agreed to.

On the title.

Mr. Blackmore: Was not the assistant to the minister going to put a statement on the record that was of interest?

Mr. Sinclair: Yes. I have here a statement of the government officers guarantee fund showing the premiums, interest added, total credits, net payments from fund on defalcations and closing balance. As the hon. member for Greenwood says, in view of the large amounts of money which are handled by the civil service of Canada, I think it is quite a tribute to their efficiency and honesty that the loss should be so small. It is a tribute not only to the honesty of the civil service but also, I suggest, to the extremely effective internal audits and other treasury controls over the public moneys that we have all across Canada. I think it would be of interest to have this statement put on the record.

The Chairman: Is it agreed that the statement be put on the record?

Some hon. Members: Agreed.

Mr. Sinclair: The statement is as follows:

Government Officers Guarantee Fund

Fiscal year	Premiums	Interest added	Total credits	Net payments from fund on defalcations	Closing balance
1936-37	$ 20,000.00				
(voted)	24,070.94	$ 539.98	$ 44,610.92	$ 1,399.25	$ 43,211.67
1937-38	26,441.99	1,641.20	28,083.19	675.51	70,619.35
1938-39	26,751.51	2,153.95	28,905.46	4,179.72	95,345.09
1939-40	28,278.60	2,923.92	31,202.52	347.81	126,199.80
1940-41	32,288.32	3,655.18	35,943.50	2,405.79	159,737.51
1941-42	35,704.25	4,625.04	40,329.29	.....	200,066.80
1942-43	45,863.42	5,674.77	51,538.19	12,964.26	238,640.73
1943-44	60,583.30	6,929.20	67,512.50	5,644.85	300,508.38
1944-45	64,642.73	8,752.80	73,395.53	904.74	372,999.17
1945-46	71,133.25	10,602.02	81,735.27	263.84	454,470.60
1946-47[1]	31,862.14	11,885.21	43,747.35	1,888.05	496,329.90
1947-48	28,168.14	12,867.09	41,035.23	14,819.44	522,545.69
1948-49	30,307.24	13,577.58	43,884.82	2,000.00	564,430.51
1949-50[2]	36,712.93	14,644.88	51,357.81	—76.14	615,864.46
1950-51[3]	25,129.38	.....	25,129.38	3,196.24	637,797.60
	$587,938.14	$100,472.82	$688,410.96	$50,613.36	

[1]Commencing with 1946-47, the rate was reduced from 20 to 10 cents per $100 of coverage.

[2]In the fiscal year 1949-50 there were no payments from the fund on account of defalcations. The figure of $76.14 represents a recovery on account of a claim paid in former years.

[3]Interest on the fund was terminated at the close of 1949-50. Rate reduced from 10 to 2 cents per $100 of coverage.

Mr. Macdonnell (Greenwood): I should like to add a word to what the parliamentary assistant has said. At a time when there seem to be places where the standard is not quite so high, I think we can congratulate ourselves and remind ourselves that, whatever our differences are, we have no difference in feeling that the civil service is a fine organization and that it belongs to us all.

Mr. Sinclair: I had rather anticipated that because of current developments elsewhere a question would be asked somewhere along the route with regard to our audit of tax funds, and that is why I am so particularly pleased that we should have this on the record. I think it is a tribute to our British parliamentary system. It is a tribute not only to the high quality of our civil service and to the efficiency of the internal audit of the treasury board but to this great institution we have in our parliamentary system, namely the office of the Auditor General, reporting direct to the House of Commons.

Mr. Adamson: I have not seen that statement. Have there been any cases at all of persons taking bribes?

Mr. Sinclair: This statement does not refer quite to that matter, but to misappropriation of public funds. However, the same remarks can be applied to tax collections. Across the years I think every member of parliament has heard of an occasional instance of that. For example, I know the hon. member for Vancouver-Quadra and I, in our own home town, remember a prosecution launched by the Royal Canadian Mounted Police, in Vancouver last year, in the case of one junior official attempting to extort money from a taxpayer. The thing that I think pleased the people at home was how quickly that attempt was discovered—even by the junior official—because of the system of checks within the national revenue department itself, the checks that treasury board has, the financial control of the finance department and then finally the exercise of the audit by the office of the Auditor General. Attempts to do these things are occasionally tried in very small amounts, but are always detected. Each year there may be one or two instances across Canada where an attempt is made to do something along that line. The great tribute to the service is how extremely rare such attempts are, and how quickly they are caught up with, when attempted. The people of Canada have good reason to be proud of the honesty and efficiency of our tax offices. And the other thing is the remarkable record as far as the civil servants are concerned who are handling the very large amounts of money which the treasury of Canada does handle.

Mr. Knowles: Yes, and it is a tribute to the kind of employees we have in the civil service that there have been so few attempts.

Mr. Adamson: I want to join with the parliamentary assistant and say how pleased I am as a Canadian and as a member of this

house at the extremely high standard of probity and honesty of all levels of the civil service of Canada.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Before proceeding with the next bill, Mr. Speaker, I should like to move concurrence in the Senate amendments to the Railway Act and to the Toronto Harbour Commissioners Act. They are on page 5 of today's order paper and on page 317 of the *Votes and Proceedings* of Friday, December 14.

Mr. Green: Will the Minister of Public Works, or the parliamentary assistant to the Minister of Transport, explain them?

Mr. Fournier (Hull): I will explain them as soon as the order is called.

RAILWAY ACT

IMPLEMENTING CERTAIN RECOMMENDATIONS OF ROYAL COMMISSION ON TRANSPORTATION—CONCURRENCE IN SENATE AMENDMENTS

Hon. Alphonse Fournier (for the Minister of Transport) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 12, to amend the Railway Act.

He said: The first amendment is on page 4 of Bill No. 12, lines 26 to 29, and reads as follows:

Delete paragraph (b) and substitute the following:

"(b) may, in addition, specify class rates between specified points on the railway and when rates are established in groups the rates to or from individual points in the groups may be higher or lower than the rates specified under paragraph (a)."

The amendment reads:

may, in addition, specify class rates between points on the railway—

And here are the words:

and when rates are established in groups the rates to or from individual points in the groups . . .

That is satisfactory to the government. The next amendment is on page 5, line 22, and reads:

After "competition" delete "actually."

The next amendment is on page 8, line 36, and reads as follows:

After "act" insert "except section three hundred and thirty-two A."

The government is satisfied, and I move the amendments.

Motion agreed to, amendments read the second time and concurred in.

[Mr. Adamson.]

TORONTO HARBOUR COMMISSION

AMENDMENT OF ACT TO DEFINE LIMIT OF THE PORT AND AUTHORIZE COMMISSIONERS TO CONTROL CONSTRUCTION OF PIPES OR PIPE LINES—CONCURRENCE IN SENATE AMENDMENTS

Hon. Alphonse Fournier (for the Minister of Transport) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 9, to amend the Toronto Harbour Commissioners Act.

Mr. Adamson: What are the amendments?

Mr. Fournier (Hull): On page 1 of Bill No. 9 at line 19, after the word "act", insert the words "to control and regulate".

Mr. Adamson: Section 3?

Mr. Fournier (Hull): Paragraph (c) of subsection 1 of section 3. The second amendment is on page 1, line 24, and reads as follows:

Delete the words "in the opinion of the commissioners" and substitute therefor the word "adversely."

The third amendment is as follows: On page 2, lines 8 to 16, delete subclause 3 and substitute therefor the following:

(3) Section twenty-one of the said act is further amended by adding thereto immediately following paragraph (g) the following as paragraph (gg):

(gg) When any person, carrying on business for the purpose of processing and/or distributing bulk petroleum products upon and from lands now or hereafter used for such purpose within the port and harbour of Toronto, has been receiving such bulk petroleum products by water into the said port and harbour for such purposes, shall hereafter receive such bulk petroleum products in the said port and harbour through or by means of any pipeline, the corporation may impose upon any such person or upon any other person using such lands for the purpose of processing and distributing bulk petroleum products within the area of the said port and harbour, an annual charge not exceeding the amount of the harbour dues received by the corporation in respect of transportation of bulk petroleum products by water by such person into the said port and harbour during the whole of the calendar year immediately preceding the calendar year in which alternative transportation by pipeline shall commence, as a compensation to the corporation in whole or in part for the annual loss of revenue sustained by the corporation by reason of the substitution of transportation by pipeline into the said port and harbour for transportation by water as aforesaid: Provided, however, that—

(i) the period in respect of which the corporation may impose any such annual charge shall expire on December 31, 1961;

(ii) the annual revenue received by the corporation from any such person for transportation of petroleum products into and out of the said port and harbour by water shall be applied as a credit against any such annual charge;

(iii) if any person shall cease to carry on the business of receiving and/or distributing bulk petroleum products in the said port and harbour for such purposes through or by means of a pipeline, then the said annual charge imposed upon any such person shall cease; and

(iv) the corporation may without by-law enter into agreements with any person or persons for the purpose of fixing and collecting compensation in lieu of imposing such annual charge by by-law;

Mr. Adamson: I was in the committee when this took place and I took exception to the passing of this bill by the commons committee.

Mr. Fournier (Hull): That is probably why the Senate amended it.

Mr. Adamson: At last the Senate has justified its existence.

Mr. Fournier (Hull): The hon. member for York West seems to agree to the substance of this amendment, and the government sees no objection to it.

Mr. Green: May I ask a question? Is it a fact that these amendments are the result of an agreement between the Toronto harbour commission and the people who were opposing the bill?

Mr. Fournier (Hull): And the city.

Mr. Green: Between the commission and those in opposition to the bill. I understand that that is why these amendments are in this shape.

Mr. Benidickson: Mr. Speaker, to an extent that can be said, but I think I should qualify that by saying that the amendment comes before us because the Toronto harbour commission and the representatives of the people who might have objected to the rates sensed the feeling of the Senate committee, and as a result collaborated in this amendment.

Mr. Adamson: When the bill was first introduced the then council of the city of Toronto had not made up their minds what they really wanted in this bill. Eventually they did, and I think these amendments are good and should be adopted.

Mr. Fournier (Hull): The fourth amendment is found on page 2, line 35, and reads: After the word "transshipped" insert the words "by water". The last amendment is found on page 2 and reads: Immediately after line 42 add the following subclause:

(7) Section twenty-one of the said act is further amended by adding thereto the following subsection:

(5) No rate, toll or charge made under this act shall be construed as applying to trucks or other vehicular traffic duly licensed by competent authority or to the contents thereof.

Motion agreed to, amendments read the second time and concurred in.

PUBLIC WORKS ACT

TENDER BY PUBLIC ADVERTISEMENT FOR EXECUTION OF WORK

Hon. Alphonse Fournier (Minister of Public Works) moved the second reading of Bill No. 26, to amend the Public Works Act.

Mr. Green: Is the minister going to make a statement on this?

Mr. Fournier (Hull): A very short statement. It is a short bill. The government has brought in this bill to reaffirm our faith in the tenders system for public works.

Some hon. Members: Oh, oh.

Mr. Knowles: That ain't the way I heared it.

Mr. Hees: That is not the way I read it.

Mr. Graydon: Is the government wavering?

Mr. Fournier (Hull): No, I have studied what took place in Sir John A. Macdonald's government. I did not know whether I should base our policy on that of Sir John A. Macdonald—

Mr. Graydon: If you kept on reading it it would help you a lot.

Mr. Fournier (Hull): Here is what the new bill says:

Where a work is to be executed under the direction of a department of the government, the minister having charge of that department shall invite tenders by public advertisement for the execution of the work.

As we find in every general statute of law, there are some exceptions.

Mr. Knowles: Hear, hear.

Mr. Fournier (Hull): But the exceptions should not overshadow the great principle of asking for tenders.

Mr. Knowles: That is right, they should not.

Mr. Fournier (Hull): And they will not while I am Minister of Public Works. Here are the exceptions:

(a) the work is one of pressing emergency in which the delay would be injurious to the public interest,

(b) the work can be more expeditiously and economically executed by the employees of the department concerned, or—

Subsection (c) refers to limited contracts where the minister could use his own judgment to an amount of $5,000. That dates back to 1886. At that time $5,000 was a large sum. Today people say it is not quite so valuable, that is why we propose—

Mr. Knowles: A new ceiling?

Mr. Fournier (Hull): No, I am proposing that I get further under the controls of treasury board and the governor in council. The bill contains these words:

—the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable—

And those who have had any experience in construction work will understand that word. And it continues:

—and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

May we consider the whole section and the subsections? The whole section gives hon. members a clear picture that we ask for tenders, and that when we meet circumstances where tenders are impracticable—and, may I say, I could give examples, especially in this city of Ottawa, and very close to it—

Mr. Green: The Prime Minister's house?

Mr. Fournier (Hull): Well, if you wish. And the east block, if you wish—and certain other buildings which were put up about seventy years ago, and that we have to keep in repair. We found out that we had to stretch the language—because, as the hon. member for Vancouver-Quadra (Mr. Green), who is a lawyer, will tell you, you can put an interpretation on nearly every statute, if you wish. He will tell you that lawyers do that every day. We had to use our best judgment under subsections (a) and (b), approved by treasury board, to proceed with these works. But, being an admirer of the tenders system, I thought that this was the time when we should—

Mr. Green: Do away with it?

Mr. Fournier (Hull): —allow the minister a subsection which would be clear enough to justify his decisions, and get the approval of hon. members of this house.

Mr. Hees: What an explanation! Wow!

Mr. Graydon: Now, Howard, what can you do with that one?

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker—

Mr. Macdonnell (Greenwood): Sharpen your teeth now, Howard.

Mr. Hees: File them, Howard.

Mr. Green: My first remark must be one of congratulation to the minister upon the interesting exposition he has made of this bill. I am sure that seldom have members of the House of Commons heard a bill explained with such humour.

It was also gratifying to hear the minister say that the government, at last, is trying to reaffirm its faith in the tenders system.

Mr. Knowles: Pretty tender faith.

Mr. Green: There is no doubt that—

Mr. Macdonnell (Greenwood): "Reaffirm" is good, too.

Mr. Green: —the time has come for reaffirmation. But unfortunately this bill does not carry out all the hopes and promises contained in the remarks of the minister.

We of the official opposition feel that this bill is thoroughly bad, and should be defeated.

Mr. Macdonnell (Greenwood): Can't you put it stronger than that?

Mr. Green: Listening to the minister, one would think that this was an innocuous little bill which would further the cause of good government in Canada. But what it does, in fact, is to open the gates to no-tender contracts. It removes from the Public Works Act the ceiling placed there by parliament, the restriction parliament has placed on this procedure of awarding contracts without tenders.

I would ask hon. members to look at section 36 as it now stands. It begins in this way:

Whenever any works are to be executed under the direction of any department of the government—

And I point out that the section covers "any" department; not only the Department of Public Works.

—the minister having charge of such department—

So that this section applies to all the ministers. It is not restricted to the Department of Public Works or to the Minister of Public Works.

—shall invite tenders by public advertisement for the execution of such works, except in the cases—

And then the section goes on to list the exceptions. The important part of section 36, as it stands without the suggested amendment, is the part I have just read; because it lays down the rule that tenders must be called for any public work.

Then, to go on to the exceptions; at the present time the first exception is where there is:

—pressing emergency in which delay would be injurious to the public interest.

No one could quarrel with that exception, and it will be in the new section as set out in the bill. Then the second exception refers to cases:

—in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department.

Your Honour will notice that that exception refers only to the case where the particular department concerned has officers or employees who can do the work better than it could be done by having it let out by contract. There again, no one can quarrel with that exception.

In his explanation of the bill the Minister of Public Works has pointed out that these two exceptions are cramping his style. He says they have to be stretched a bit in order to let these contracts without tenders, and that therefore the time has come to give him more elbow room with regard to no-tender

contracts. So he takes out the third exception which reads as follows:

> Where the estimated cost of the work is less than five thousand dollars and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

That provision is being removed entirely. In some other bills—and I think particularly of the National Harbours Board Act—there is a provision for a figure of $10,000 instead of $5,000. I do not believe anyone would have very much objection to the insertion of a figure higher than $5,000. But the weakness of this bill is that it takes out any ceiling at all.

What does it do? In place of the ceiling it gives the minister of the department concerned wide-open powers reading as follows:

> Where the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

That new subsection takes the ceiling out of the Public Works Act and says, in effect, that any minister whose department is to construct works can, if he so wishes, let contracts without tenders. That, we believe, is a very serious change.

The minister suggested—I noticed he was smiling at the time—that the government believes in the principle of asking for tenders. Yet under this new subsection the system of asking for tenders is just being thrown out the back window.

Subsection 2 of section 36 of the Public Works Act as it stands on the statute books today reads:

> Whenever in case of any work tenders are required to be, or are invited, the minister having charge of the department concerned shall submit all tenders received therefor to the governor in council and the contract for the work shall be awarded under the direction of the governor in council.

That means that wherever tenders are called the contract must have the approval of the governor in council. That salutary provision is also being taken out of the act.

It may be said that the whole situation is being taken care of by section 39 of the Financial Administration Act just passed which provides that the governor in council, which of course is the cabinet, may—they are not compelled to do—make regulations setting a ceiling on contracts over which tenders must be called. It must be remembered that section is merely permissive, and that the treasury board as well as the cabinet are given power to approve any contract even though tenders are not called.

In his explanation the minister said this bill was all right because he was being put further under the control of the governor in council and the treasury board than he had ever been before. We would like to see him a little bit under the control of parliament, and I am referring not only to the Minister of Public Works but to the ministers of all other departments which let contracts. Parliament should not be deprived of the right under the Public Works Act to put on a ceiling over which no contract can be let other than by tender.

The Public Works Act is the master act covering public works of all kinds. As I pointed out, the section applies to all departments. There have been similar restrictions imposed from time to time, even in the Defence Production Act which was passed at the last session. Under that act limitations were imposed on the Minister of Defence Production, and believe me when the government can impose any limitation on him there must be a good case made out. Also it must be remembered that he is dealing with defence works for which there is far more justification for not following the tender system. Section 17 of that act provides:

> (e) a contract may be entered into by the minister without the approval of the governor in council if
>
> (i) in the opinion of the minister, the contract must be entered into immediately in the interests of defence,
>
> (ii) the estimated expenditure, loan or guarantee does not exceed twenty-five thousand dollars, or
>
> (iii) competitive tenders have been obtained and the lowest tender, involving an estimated expenditure not exceeding fifty thousand dollars, is accepted,
>
> but the minister shall make a report to the governor in council in respect of any contract involving an estimated expenditure, loan or guarantee exceeding ten thousand dollars and entered into without the approval of the governor in council.

In all other cases under that act the minister must have the prior approval of the cabinet.

I propose to illustrate our objection to this bill by referring to what happened in connection with the Alvin building in Vancouver, about which the Minister of Public Works has heard on more than one occasion. The department decided that they wanted an office building in Vancouver. Friends of the government, and I repeat that, obtained some land and built a building. I believe they were assisted in financing that building by the fact that they had an agreement with the government. They had their own contracting company. Without calling for tenders the government made a deal with these people. Order in council P.C. 1382, of April 6, 1948, passed on the recommendation of the Minister of Public Works and with his report before them dated March 27, 1948, sets out that an offer had been obtained from Alvin Estates

Limited—which incidentally was not incorporated until a week or so after the order in council had been passed—to construct a fireproof building on their property and to rent it to the crown under certain terms and conditions which also were set out.

The order in council explained that the crown was to pay a certain rental per year commencing with the date of occupation and was given the option to purchase the property at any time within the first twelve months of occupation for a certain price. About a year later order in council P.C. 563, dated February 8, 1949, was passed, again on a report from the Minister of Public Works. It set out that more floors and fixtures had been added to the building and established that the rental was to go up to $183,995 per year; and that the purchase price, if the government exercised its option, would be $1,063,105. That fall of 1949 I asked the minister about this Alvin building because it was becoming the talk of the town in Vancouver.

In the following session we had a debate on the whole question which took place on March 2, 1950. The minister was very emphatic about the actions that had been taken by his department. He tried to justify not calling for tenders on the deal, and there the matter ended for the time being. About a month after the debate the government exercised the option. The amount paid to these people in rent was $215,988.34, and the government paid $1,066,614.90 for the property, a total of $1,282,603.24.

The minister's defence of this deal was in the first place that there was an emergency and therefore under this emergency clause (a) of section 36 of the Public Works Act he was entitled to make the deal without calling for tenders. Another defence which he made with considerable skill was that shortly before the debate he had obtained valuations from two prominent contractors in eastern Canada, which showed that the price was a reasonable one. Subsequently as a result of the debate, and before the government exercised the option, he obtained two further valuations, this time from two Vancouver firms, and in due course the property was purchased.

On June 21, 1950 I moved for a copy of any and all valuations which had been obtained by the government on the Alvin building in Vancouver. That return had not been brought down by the time the session prorogued, but in July of 1950 I received a letter from the deputy minister of public works containing a list of figures. There were no details. The actual letters containing the valuations were not given me but simply the figures, and they ran all the way from $950,500 to $1,097.478. I wrote to the deputy minister pointing out that what I wanted was a copy of the valuations, but I never received them. During the present session the leader of the opposition (Mr. Drew) demanded the tabling of a half dozen returns which had been held back for a long period of time, and one of them was the motion for these valuations.

On November 16 the Minister of Public Works (Mr. Fournier) did bring down a return but again it merely contained the same figures. It did not contain the valuations letters. Then I pressed him for the actual copies of the valuations, he said he would get them, but he issued a warning. As found at page 1131 of *Hansard* he said:

> I shall do my best to give particulars of that. Perhaps I can also bring in the fact that this building is now worth nearly $2 million.

The return did come down on December 4 and it contained all the valuations. It also contained a valuation which the minister had made last month in an attempt, of course, to show that the building would have cost more if it had been built now.

These valuations merit a little consideration. Two of them were obtained from large eastern firms a few weeks before the debate took place in the house. One was from the firm of W. H. Bosley and Company of Toronto. When the debate took place in March of last year the minister pointed out what a wonderful firm this was, and how Mr. Bosley had made a personal inspection of the building and had said that the deal was a good one. Here is what Mr. Bosley actually had to say in his letter of February 13, 1950. It starts out by saying:

> This property is said to have a frontage on Robson street of 99 feet by a depth of 124 feet . . .

It goes on to refer to the building and then says:

> The crown is at the moment under contract to lease these premises for a period of ten years from the 17th of March, 1949, paying annually therefor a rental of $183,995 in equal monthly instalments at the end of each and every month. The lessor is to pay taxes, major repairs and insurance.
>
> This lease contains an option permitting the crown to purchase the demised premises at any time during the first year of the lease for the sum of $1,063,105. My analysis of this situation indicates that the present worth of nine years rental yet to be paid from the 17th of March next, discounted, after deducting the amount for taxes, repairs and insurance, will yield the owners an amount equal to or better than the option price.

Of course if the government had gone on renting it would have yielded the owners

several hundred thousands of dollars more. Mr. Bosley concludes by saying:

> In my judgment it is in the crown's interest to exercise the option as before mentioned, and become the owners of this property.

Any child in elementary school could have decided that just by looking at the figures, and Mr. Bosley certainly did not say that the building was good value at the price which was paid for it. The other eastern firm upon which the minister relied in his reply to me in March of last year was E.G.M. Cape and Company of Montreal. Their letter of February 24, 1950, reads as follows:

> Re: Alvin estate building, Vancouver, B.C.
>
> Dear Sir:
>
> We estimate the cost of the above mentioned building, according to plans, etc., to be nine hundred and six thousand dollars ($906,000) all as per the attached breakdown.

The letter has attached to it a breakdown showing how they arrive at the figure of $906,000, which is nearly $160,000 lower than the government paid.

Mr. Gibson: Was the property included in that?

Mr. Green: No. Attached to the return are figures to show how the department dealt with the valuation given by E.G.M. Cape and Company. First of all they added to the $906,000 professional and inspection fees of $36,985, which I submit had nothing to do with the valuation of the building. Then they added $40,000 for the land, and I do not quarrel with that. That would put the value of the building and the land at $946,000. Then they added legal and financing fees of $31,860, and they added to that 5 per cent profit to the Alvin Estates Limited, $50,740, with the result that they brought the E.G.M. Cape and Company total up to $1,065,585, which is about $2,000 more than the government paid. But in order to get it up to that figure they padded it to the extent of about $119,000 by these additional charges for professional and inspection fees, legal and financing fees and 5 per cent profit to the Alvin Estates Limited, the owners of the building.

Mr. Harkness: That is what is known as conjuring.

Mr. Nowlan: No wonder there was a reaffirmation.

Mr. Green: This was one of the valuations which was obtained a few weeks before the debate took place in the house. Now let us turn to the valuations which were obtained a few weeks after the debate took place, and before the government exercised its option. One is from a very reliable firm of architects in Vancouver known as McCarter and Nairne. Their valuation is dated March 10, 1950, and addressed to the deputy minister of public works. It is headed "Re Alvin Building, Vancouver, B.C.", and reads:

> We are enclosing two copies of recapitulation of our detailed estimate of the cost of the Alvin building, Vancouver, B.C. This estimate does not include architects or engineering fees or the land, but deals only with the building estimate.

Then they set out the estimate in detail, and they show a total figure of $880,440.

Again to that valuation the Department of Public Works has added a memo showing additional figures as follows: Professional and inspection fees, $35,775; Land, $40,000, with which again I am not quarreling; legal and financing fees, $31,087, and profit of 5 per cent to the Alvin Estates Limited, $49,365. In that case they could not bring the total up to the amount that was paid. They only brought it up to $1,036,667. In my opinion that valuation has been padded by the department to the tune of about $115,000.

There is another valuation from a reliable firm in Vancouver which was obtained after the debate and just before the government exercised its option. It is from the Northern Construction Company and J. W. Stewart Limited, a thoroughly responsible contracting firm. The letter from the president of that firm, dated March 13, 1950, addressed to the deputy minister reads:

> Pursuant to your request and from the plans and information furnished us by your Mr. A. K. Mills, together with the personal inspections of the building, we have compiled price on the Alvin building on Robson street in Vancouver, on the basis that we would submit a tender for its construction today. This price amounts to $920,300, and includes the total structure together with a clearance of the site which involved the removal of old buildings which formerly occupied it.
>
> Trusting this gives you the information you require . . .

To that return the department has again added a memo bringing this figure up to the figure which they gave me last summer. They added $40,000 for the land, to which I do not object; professional and inspection fees of $38,143; legal and financing fee of $32,314 and profit to the Alvin Estates Limited of $51,523, bringing the total to $1,082,280. They have again padded the valuation which was turned in by their own valuator.

This is not the whole story, because there are also three valuations in this return which were made in the year 1949 about one year before the debate took place in 1950. One of them is by the resident architect in British Columbia, a Mr. Dawson, and it is dated March 21, 1949. He shows a valuation of $915,815. To that of course must be added the land value of $40,000. With this valuation the department includes a memo padding

it again by the same three items to bring it up to $1,077,550, which was the figure given to me last summer.

There is one valuation in 1949, March 18, by another reliable architect, William Frederick Gardiner, who has since died. It shows a valuation, including land, of $950,000. On the return which I received there is this note about Mr. Gardiner's valuation, which is the only one included in the first return at the figure which was given by the evaluator:

> Gardiner in his valuation provides no details and is definitely low.

Actually, Mr. Gardiner's figures are practically the same as all the figures I have just quoted.

In 1949 there was one other valuation which was higher, and that was by a firm known as Hugh M. Fraser and Company Limited, signed by H. Forrester. Mr. Howard Forrester is a former Liberal member of the provincial legislature, but I am not quarrelling with Mr. Forrester; he is a good citizen. He has placed a valuation on the Alvin building at $1,097,478.67, but he puts it on a cubic foot basis. He does not break down the cost as was done in all the other cases.

Mr. Low: Including the land?

Mr. Green: Yes. Mr. Forrester's firm rents three postal stations to the government on a similar basis.

Then I should like to say a word or two about a valuation which the minister obtained last month. It was made by the new district architect, Mr. L. S. W. Wells. Mr. Wells sets out the details of the present cost of this building, and they amount to $1,124,676. Then he adds these words, "average increase of 25 per cent"—that is over the figures of two years ago. His letter ends with this paragraph:

> You will note the average increase amounts to approximately 25 per cent which is considered conservative.

Now, taking account of that 25 per cent, we find Mr. Wells' figures for the old building two years ago would have been about $900,000. From all of these people except Mr. Forrester, therefore, we reach a valuation, including land, varying from $920,000 to $960,000. Yet the government paid over $1,060,000 and apparently was proud of doing so. Was that the figure?

Mr. Fournier (Hull): It was $1,063,000.

Mr. Green: No. They paid $1,066,614 and some odd cents, plus the rental of $215,988.34. There was considerable uproar about this deal in Vancouver. There were other transactions with the same contracting firm that built this building, the principals of whom owned this Alvin Estates Limited, and things got fairly hot. For example a year ago, on April 5, 1950, a statement by the Minister of Fisheries is quoted in the Vancouver press under the heading: "No More 'No-Tender' Building Deals".

Mr. Graydon: There is reaffirmation.

Mr. Green: This is another reaffirmation. The subheading reads: "Mayhew Forecasts Change in Government Accommodation Procedure" and he is quoted as saying:

> The no-tender policy was used in wartime when contractors wouldn't give a firm price. They couldn't.
>
> That period is gone by. I don't think we'll see any more of that. Government policy has always been by tender.

All we are asking is that the government keep this policy of tender and drop foolish bills of the kind now before the house. If this bill goes through the minister is free to make a deal of this sort. He could not be questioned if he made another deal of this kind, nor could any other minister; because the only restriction on him will be that he must be satisfied in his own mind. Obviously he was satisfied with this deal last year, and I presume he is still satisfied.

Mr. Fournier (Hull): Oh, yes; and I can tell you why.

Mr. Green: Yes? The wording of the paragraph is:

> (c) the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

We believe that the tender system is of greater importance to Canada now than it has ever been; in the first place because it is one of our main methods of keeping down government expense and, of course, the keeping down of government expense is or should be one of the prime policies in meeting the inflationary conditions which exist today. Second, we believe this tender system is of vital importance now because this is the day of the great surplus, when the cabinet have millions of dollars in their collective pockets just burning a hole. They do not want to be caught with a large surplus at the end of a fiscal year.

Mr. Knowles: That is what makes them feel so tender.

Mr. Green: That is too good for me. There is greater need than ever before. When the government is dragging in money in far larger amounts than is necessary, there is greater need for retaining and strengthening this tender system rather than opening the door to no-tender contracts. Mr. Speaker, I

am afraid this change is merely another symptom of the cabinet disease which caused the Minister of Trade and Commerce (Mr. Howe) a year or two ago to say: "Oh, what's a million dollars?"

Mr. Lennard: And also: "Who will stop us now?"

Mr. Green: Yes. At the last session he said: "If we wanted to get away with it, who would stop us?" We in the official opposition do not believe there should be any relaxation in the provision that public works must be constructed on a tender basis. We believe that retaining the tender system and, in fact, strengthening it is in the public interest, and that it should be a basic principle in conducting government business that tenders will be called for in the construction of government works.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am bound to say that we support the viewpoint put forward by the hon. member for Vancouver-Quadra (Mr. Green). No matter how much confidence we may have in a minister of the government—and I have no reason to have anything but confidence in the present Minister of Public Works (Mr. Fournier)—I think we should not pass this bill. As the hon. member for Vancouver-Quadra has properly pointed out, the only safeguard this house has that contracts will be let in a proper manner is the provision that tenders will be called. As to this departure, I cannot recollect a similar instance during my term in the House of Commons. If the house permits this bill to pass, I think we shall be doing something the house will regret and maybe, in the years to come, a minister or a government may regret. I therefore say I think the house should refuse to pass this bill.

I have no doubt it will be pointed out, as the hon. member pointed out, that in section 39 of Bill No. 25 which we were discussing an hour or so ago there is a clause which seems to mitigate the provisions of this bill. Section 39 of Bill No. 25 reads:

> The governor in council may make regulations with respect to the conditions under which contracts may be entered into and, notwithstanding any other act,
>
> (a) may direct that no contract by the terms of which payments are required in excess of such amount or amounts as the governor in council may prescribe shall be entered into or have any force or effect unless entry into the contract has been approved by the governor in council or the treasury board, and
>
> (b) may make regulations with respect to the security to be given to and in the name of His Majesty to secure the due performance of contracts.

I would point out, Mr. Speaker, that this is permissive legislation. This is a permissive clause; it is not mandatory. It does not say that the government "shall direct". The word "shall" is not used. We have the word "may". "Shall" is mandatory; "may" is merely permissive.

In the second place, I do not think the house would be wise to rely on section 39 of Bill No. 25, because we do not know what the regulations will be, and regulations may be amended, varied or rescinded by the governor in council. The only safeguard we have is that the safeguards we want shall be written into a statute. Here we find that the old section 36 of the Public Works Act is to be repealed; the two most important sections in that act are to be repealed and there is to be substituted therefor paragraph (c) of the new section 36 of the bill which provides that where the minister is satisfied that the nature of the work renders a call for public advertisement impracticable, and that the public interest can best be served by entering into a contract for the execution thereof without inviting tenders, he may do so. To my mind that is a dangerous provision and one that we as a parliament should not possibly approve. In presenting his views the hon. member for Vancouver-Quadra brought forward a case which evidently the Minister of Fisheries (Mr. Mayhew) himself thought warranted the discontinuance of the practice of purchasing buildings or letting contracts without tender, or without the proper supervision of this house. Wartime, he said, made certain things necessary. We are no longer in wartime. As the hon. member for Vancouver-Quadra (Mr. Green) said a few moments ago, we are living in a period of buoyant economy, of inflation in this country, and certainly this is the very time we should exercise more care than we should at some other and more normal time.

I do not want to prolong this debate. When the hon. member for Vancouver-Quadra spoke this afternoon I think he spoke not only for the official opposition but also for at least the group for whom I have the honour to be speaking at the moment. We should either vote down this bill, or attempt to do it; or in view of the opposition expressed in the official opposition, and I am certain in my own group and probably in the opposition generally, the Minister of Public Works should withdraw this bill and not proceed with it not only at this session but at any time. If we pass this bill we shall be abrogating one of the rights of parliament, the right to lay down exactly how contracts shall be made, and shall be placing it in the hands of a minister, at the moment one perhaps for whom we have a high regard, but we do not know who his successor will be. We cannot tell what the future will bring; consequently I

think the minister should either withdraw this bill or hon. members on all sides of the house should vote against second reading.

Mr. Solon E. Low (Peace River): I hate to have to speak in opposition to my friend the Minister of Public Works. I believe at any rate his intentions are good, but I cannot feel otherwise than that if this house passes this bill it will be derelict in its duties. The tender system was designed originally to protect the taxpayers and their interests. I think the Minister of Public Works knows that; but the amendment to the Public Works Act, as it is presented to us now in Bill No. 26, not only throws the tender system out the window, as was said by the hon. member for Vancouver-Quadra (Mr. Green) but—I want to emphasize what someone else interpolated at the time—it also throws the window out with the tender. Consequently if this bill is passed nothing will be left in the Public Works Act to protect the interests of the taxpayers of Canada.

I would not object to a change in paragraph (c) of clause 36 of the old act, raising the amount to say $10,000, to bring it more in line with modern valuations and costs; but I certainly object to going as far as this bill proposes to go.

I think the hon. member for Rosetown-Biggar (Mr. Coldwell) made a sound proposal. I believe the Minister of Public Works ought to withdraw this bill and not present it in this form again. In the light of the evidence that was brought before the house this afternoon by the hon. member for Vancouver-Quadra, it seems to me that we ought to be tightening up the tender system instead of loosening it, as we are doing in this legislation. We oppose it most strongly and we urge the minister to withdraw it. If he does not—well, we are bound to vote against it.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I think there are reasons why this amendment should be re-examined by the minister that perhaps have been covered very well by the speeches that have already been made, but which I think perhaps gain further emphasis in relation to some of the other acts that are before this house. One of the things that perhaps make it difficult for some of the members to illustrate the dangers in such an amendment as this as forcefully as they otherwise might is that the minister who puts forward this bill, by his very geniality, disarms criticism at the outset. In that regard, not being absolutely certain that we might not be called upon to address him in some other capacity at some other time, and that someone else might be occupying that office, we must examine this not from the point of view of the individual who administers an act of this kind at the time but from the point of view of a public act which may be administered by anyone at any time, depending on the change of time and circumstance in public affairs.

This represents something more than the minister has put forward. I would say that from the point of view of the presentation of legislation, if the government wanted unsatisfactory legislation put forward, they should always have the Minister of Public Works be the advocate, because in this house you might describe him by the title of a book that I recall, namely "The Pilgrim of a Smile". He smiles his way through the greatest difficulties and differences, which makes it equally difficult for those on the other side to use as vigorous and as severe terms as should be applied to a bill of this nature.

An hon. Member: How true.

Mr. Drew: But I propose to approach this simply on the basis of an examination of the legislation itself. The minister has stated that this is a reaffirmation of a great principle.

Some hon. Members: Oh, oh.

Mr. Drew: Then he says in effect to the members of this house: we believe in this principle, but we ask you to disregard it and leave the continuity of the principle in the future to the discretion of the members of this government, or of any succeeding governments in the days ahead. I ask hon. members to look at this as something more than an amendment that merely affects those of us who are here today; and I do not mean those who are here this particular Saturday afternoon, but those who are now members of this House of Commons.

The Minister of Public Works has properly stated that throughout the years respect for public administration has largely rested upon the acceptance of this basic principle in awarding government contracts. There have been instances where there have been justified criticisms. There have been cases where that criticism goes to the extent of really bringing into question some of the details of this department and of other departments that have been put forward in this house this afternoon. But I would like to suggest reasons why there should be no suggestion of extending the provisions of this act now. I ask the Minister of Public Works to consider the advisability of withdrawing this legislation at this time, and not simply to move forward with the knowledge that in the ordinary course of events no voice is likely to be raised on the other side of the house no matter what the thoughts of the members on that side of the house may be.

Just a few days ago we had a striking example of the way the awarding of huge contracts is being carried out of the realm of ordinary supervision. We had before us for consideration the bill to set up the St. Lawrence seaway authority. It was very noticeable that in the terms of that measure, although $300 million is to be expended on the waterway part alone, there was no provision for the calling of tenders. An explanation was given which perhaps might gain acceptance by many hon. members. The argument was put forward that there should be no provision in regard to tenders in that measure because the door had not yet finally been closed upon the possibility that there would be co-operation between the government of the United States and the government of Canada in carrying forward the project. It was contended that perhaps their methods might not conform with ours, and that therefore it would not be wise to place restrictions in our act creating authority which might not conform with the practices the United States government would wish to follow. Nevertheless the fact remains that in those huge expenditures provision for tenders has been avoided.

Then we had under discussion earlier today the new provision in regard to crown corporations. There again we have a case where very large contracts are allocated in relation to what is essentially public business, without the necessity of tenders. For that very reason, as other measures themselves carry so much public expenditure beyond the tender system, I suggest that we should be putting in more restrictive rather than less restrictive definitions at this time.

Without going into that too extensively, I suggest that this government itself has afforded reasons why it should not now be asking for the relaxation of provisions of this kind. In the report of the Auditor General to the House of Commons, which we have just received in these last few days and which covers the financial period 1950-51, we see several references to practices which indicate the need for greater rather than less caution in matters of this kind. Already, under the section which would be repealed by the bill now before us, it was possible to dispense with tenders where there was a suggestion that there was an emergency. On page 11 of the Auditor General's report we find this:

> Case 1. On February 28, 1951, the Department of National Defence instructed the Canadian Commercial Corporation to procure 200 quonset type huts by March 31, 1951. At the same time the department indicated that a Canadian supplier was in position to make immediate delivery and that "if necessary, this department is prepared to send a representative to the manufacturing plant of the successful tenderer and accept delivery as the huts in question are loaded for shipment to their final destination." A contract was awarded without (a) advertising for bids, or (b) the governor in council giving prior consent to the award. $948,142 was paid in the fiscal year 1950-51. The records indicate that the huts were stockpiled.

The government has just been told by its Auditor General that its practices are already extremely loose. This does not, of course, refer specifically to the Minister of Public Works (Mr. Fournier), whose smiling explanation would be most difficult to disregard if he gave it in the general terms he has already used to argue in support of the bill. Nevertheless, I say, the fact remains that here is a clear statement by the Auditor General that this government already finds it rather convenient to disregard the limitations that exist. And in this instance there was no urgent emergency for the acquisition of the huts—because they were stockpiled and not used immediately—if they were availing themselves of the provision that the need may be regarded as an emergency.

Then we have other cases set forth in the Auditor General's report. In some instances a device was employed that is constantly subjected to criticism when it is adopted. I refer to those occasions where original contracts were let by tender, and then at a later date there were readjustments of the contracts awarded for very much larger sums, with the simple explanation that these were extensions of original contracts. We find an example of this at page 8 of the Auditor General's report, where it says that vote 296 was for a firm contract of $179,182. That was the contract price arranged after tenders had been called. Following discussion and certain extensions that contract was increased to $365,232, in other words to slightly more than twice the original amount, without any subsequent tenders being called for. Then it is explained that in the case of vote 297 the original contract, following tenders, was approved at a figure of $49,836, and that in that case there was subsequent discussion and readjustments and a new contract was awarded for $89,832.

I mention those as examples furnished us within the past few weeks by the report of the Auditor General, where he shows a tendency on the part of the government to disregard the provisions of the act as it stands. And when we remember that provisions of this kind apply to all government departments including those departments which are purchasing enormous amounts of material at this time, then I suggest this goes far beyond any minor amendment. This would tear away completely the protection that has been

afforded by that principle, which is affirmed by the minister but denied by the amendment itself.

This is no reaffirmation; this is a complete denial of that principle. For all practical purposes it would simply say that any minister who for one reason or other did not find it convenient to call for tenders, could easily find some ground for awarding contracts without tenders being called for. The most objectionable part of the proposed amendment is that part in which it states:

> Where the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable, and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders—

In that case they may be proceeded with by direct contract.

Without in any way bringing into this discussion any of those matters which were discussed earlier in the session, and which warn us of the recklessness of some departments of this government in the handling of public money, I think the Minister of Public Works, who has shown a much higher regard than some other departments of government for the authority of parliament, should withdraw the bill at this time and demonstrate to the House of Commons that he does in fact believe in that principle. The one reaffirmation he should afford this house today of his belief in that principle is to withdraw the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like other hon. members who have spoken I find it an unpleasant duty to quarrel with the Minister of Public Works (Mr. Fournier). He may find it difficult to understand that statement, in view of the fact that I quarrelled with him two or three times earlier this week. However, I think he knows what I mean.

I should like to underline some of the statements which have been made, but I do not wish to take undue time in doing so. In fact, having said that I will move on and deal with an aspect of the matter which I do not think has yet been discussed. I shall do this in the first place by setting out what I think might have been a better case for this bill than was made by the minister himself. I say that with all respect, as I realize he was trying to save time. He was also in very good humour.

Mr. Macdonnell (Greenwood): What case did he make?

Mr. Knowles: You can see by his face that the minister is now enjoying the fact that he made no case at all. I want to make out the best case I think can be made for it. Having made out the best case, I shall endeavour to show that even that best case is no case at all. The best case that could be made out for this bill would be on the basis of section 39 of the Financial Administration Act. If the minister had taken the time to tell the house that it is the firm intention of the government, once the Financial Administration Act has been proclaimed, to pass an order in council specifying a ceiling for all contracts that can be let without tender; if he had made it clear that this Bill No. 26 would not be proclaimed until that order in council had been passed, I say that would be the best case that could be made out for it. In other words, that would tell us that on the government's own terms they intended to retain the tender system.

What is wrong with the case is that it is on all fours with another battle we had this week. Even when you reaffirm the tender system by passing an order in council under section 39 of the Financial Administration Act, which would apply to the Department of Public Works and all the rest of the departments, all you have done is make the tender system one whose ceiling is determined by order in council rather than by a statute of parliament.

That is the real issue now before us. It is the same battle we had yesterday, and have had two or three times before, when other measures were before this house. Our complaint about that other measure of yesterday was that it whittled away the powers of parliament. I do not know whether any of us used that precise word in what we had to say, but certainly that was the intent of what we said. I would refer hon. members to an editorial in this morning's Ottawa *Citizen* dealing with that other measure. The editorial is entitled "Whittling the Powers of Parliament". The whole tenor of that editorial is to the effect that those of us who opposed that other measure were perfectly right in the principle we put forward, namely that parliament should not by that statute have surrendered the right to determine the salaries of the persons who were then under discussion. The editorial states:

> Mr. Fournier, as acting Secretary of State, may argue with his usual suavity that there is no danger of loss of independence—

We have had that again today, the usual suavity and good humour of the Minister of Public Works. But this is the comment of this editorial on that other measure:

> The present move represents a further whittling away of the authority of parliament, and a concentration of further power in the hands of the execu-

tive. All such moves of the kind should be resisted, no matter how innocent the purpose is represented to be.

That is what we did yesterday in connection with that other measure and that is what we are seeking to do now, resisting moves which whittle away the authority of parliament. As it now stands, parliament by statute has determined that contracts may not be let without tender if they are for an amount of $5,000 or more. I will take the Minister of Public Works at his word that it is the government's intention under section 39 of the Financial Administration Act to pass an order in council fixing an appropriate amount. We do not know what that amount will be. Maybe the order in council will specify $5,000; maybe it will specify $10,000, maybe the figure will be higher, but whatever figure is specified in the order in council it can be changed the next day, the next week, or the next month by another order in council. In other words, for all time the determination by statute as to what that ceiling will be is to be taken away from parliament. Once again, on Saturday as on Friday, the powers of parliament are being whittled away.

The one other point I wish to make is that section 39 of the Financial Administration Act, which is noted as being a new provision, is of general application. It deals with contracts. In other words it is wider in its scope than the matter now before us, because it covers all contracts. I gather that there will be an order in council laying down the general principles with regard to the calling of tenders for contracts of all kinds, including the execution of works, the purchase of materials, and what have you. What is before us in the Public Works Act is not the whole broad field of contracts; it is simply one section of that field, namely the execution of works. That has been in the statute for a long time, and wherever public works are to be executed the law passed by parliament lays down at what point tenders must be called.

I submit that even after an appropriate order in council has been passed under section 39 of the Financial Administration Act laying down the general provisions for contracts as a whole, there is still room for a special provision with respect to contracts for the execution of works; and the place for that special provision is to be found in the Public Works Act. I submit that it is still important that parliament have the right to say at what figure there must be tenders with respect to contracts for the execution of public works.

So I support those who have urged the Minister of Public Works to withdraw this bill. I do not mind if instead of withdrawing it he amends it to still leave subsection 2 of section 36 in, and amends paragraph (c) to change the ceiling from $5,000 to $10,000, let us say. But I do ask him not to do again today what he did yesterday in his capacity as Acting Secretary of State and take away from parliament the setting by statute of these ceilings which are so important.

We are getting altogether too much of this kind of thing. I am sorry to see our genial and very good friend, the Minister of Public Works, mixed up in it. He is not the Minister of Finance; he does not lay down these general practices and principles so far as contracts are concerned. I realize that he has probably been assured by the Department of Finance that this is perfectly in order, that this will be a reaffirmation of the tender system. The only way in which it is a reaffirmation of the tender system, if I may run the risk of repeating myself, is that it hinges on section 39 of the Financial Administration Act. The section is general in its terms; and it takes away from parliament for all time the fixing of the ceiling at which contracts must be let only after tenders have been called.

I say again that whatever may be the general provisions of any order in council passed under section 39 of the Financial Administration Act, we know that with respect to contracts for the execution of public works the statutory provisions such as we have had are gone. I urge the Minister of Public Works to retain that principle of fixing the limit by statute. Let him amend the bill and name in it whatever figure he thinks is reasonable at this time, but let us retain that principle.

Mr. George H. Hees (Broadview): Mr. Speaker, as has been pointed out by other speakers in this debate, the changes proposed by this bill would allow any minister for whose department a public work is required to declare that the calling of tenders for that work is impracticable and not in the public interest. He could then award a contract of an unlimited size without calling for tenders. In addition, he would not be required to submit the contract to the governor in council for scrutiny.

There is only one way to ensure that public works will be constructed at the lowest cost to the public, and that is by publicly calling for tenders. It is reasonable to exclude the types of contracts specified in subsections (a) and (b) of both the 1927 act and the present bill. I believe it is also reasonable, as pointed out by the hon. member for Vancouver-Quadra (Mr. Green), to raise the ceiling below which tenders need not be called from

$5,000 to $10,000. I say this because the value of money today is about half what it was in 1927.

However, I believe that contracts for all amounts greater than $10,000, which do not come under the qualifications of subsections (a) and (b), must continue to be awarded by tender, and such contracts must continue to be scrutinized by the governor in council. To propose that this practice should be discontinued, as the government is proposing to do by this measure, is to invite inefficiency and cost padding, for which the public must foot the bill.

A procedure which very often creeps into the handling of contracts, both in the case of business corporations and the government, is that after the original contract has been awarded and is being proceeded with, additional contracts for work in the vicinity are awarded to the original contractor, simply because it is easier to do it that way than to call for new tenders. It is argued that the work can be more cheaply carried out by the man on the job, because he would not have the expense of moving his equipment to the job and because his price on the original contract was reasonable.

This practice results in work which is often many times the value of the original contract being done on a cost-plus basis. When that is done there is no incentive to keep costs down; in fact the incentive is quite the reverse—

An hon. Member: Are you thinking of Comstock?

Mr. Hees:—because the higher the cost, the higher the plus.

If the bill passes, I believe it will be a blatant invitation to political patronage, because the only qualification a contractor will then require, in order to obtain contracts of unlimited size, will be that he must be a faithful supporter of the government. This will provide a tremendous inducement to support the government at election time in more concrete ways than simply by good wishes.

Mr. McIlraith: Are you speaking for the Ontario government now?

An hon. Member: No, you fellows.

Mr. Hees: This is the kind of practice which we should be getting away from, rather than entering into. If the government forces the bill through, I believe it will be pursuing a course which is directly opposed to the public interest. If the bill passes, it will be inviting the kind of scandals we have been reading about in the newspapers lately, which are being unearthed by investigating committees of the United States congress. I believe that in the interests of good and honest government the bill must be withdrawn.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I want to add my voice to those of other hon. members who have spoken in opposition to the bill. I wonder if members on the government side of the house appreciate what is being done and how the bill departs from the provisions of the act in force at the present time. The amendment reads as follows:

> Where a work is to be executed under the direction of a department of the government, the minister having charge of that department shall invite tenders by public advertisement for the execution of the work—

If it stopped there, in my opinion it would be a good bill; it would be in line with what we are doing now. But it goes on to say:

> —except in cases where
> (a) the work is one of pressing emergency in which the delay would be injurious to the public interest—

That eliminates contracts of that kind.

> —(b) the work can be more expeditiously and economically executed by the employees of the department concerned—

That eliminates something more.

> —(c) the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

That wipes away every obstacle to letting contracts without tender. Why the cabinet, composed as it is of men who have been engaged in such work, who have been cabinet ministers and administrators for a long time, should wish to remove restrictions and thereby leave themselves open to all kinds of lobbying is beyond my comprehension. I would think that every member of the cabinet would want his authority to do anything of this kind limited to the greatest possible extent. Then he would be assured that his department would be run without even a suspicion that there was anything wrong. But here they are introducing a bill the result of which will be that with every bit of work that is to be done the Minister of Public Works (Mr. Fournier) will have on his doorstep all the people who want to do the work and who want to get a contract without having to tender. It is simply amazing.

As has already been said, $5,000 is not very much money today. Perhaps when the present act was put in operation $5,000 was quite a bit of money, but at a time when the dollar is only worth 50 cents $5,000 may be a very small contract. Why not enlarge the amount to $10,000, as has already been said, or if

that is not enough enlarge it to $15,000 or $20,000, but for goodness sake put some limit so that the Minister of Public Works, or any other minister who is dealing with a work under the meaning of this act, can say to every lobbyist who comes into his office: "This has to be let by tender because the act says that it must be let by tender". Then all he can say is: "Good-day, you will have an opportunity to tender". But that is not what they are doing. They are inviting everybody who wants to get something for nothing to come in and see what he can get in the scramble.

As I have said many times, I have a great deal of respect for the members of the cabinet but, as I said before, I cannot understand men such as the Minister of Public Works, the Minister of Trade and Commerce and Defence Production (Mr. Howe), the Minister of Finance (Mr. Abbott), and the Minister of National Defence (Mr. Claxton), who have been administering public affairs for quite a long time, wanting to leave themselves open to the condition, human nature being what it is, that this legislation invites. Therefore I suggest to the Minister of Public Works, as others have done, that in the interests of good government and good public administration he should withdraw the bill and substitute something better for it, or amend it in such a way as to set an amount beyond which contracts cannot be let without tender.

Mr. A. J. Brooks (Royal): I should like to say a word on this subject, Mr. Speaker. Like the others who have spoken I certainly have great respect for the minister, but I do not think it is the minister we are talking about; it is his bill. We cannot have the same respect for the bill that we have for him. So far as subsection (a) is concerned, I realize that there are emergencies. The minister has not mentioned any, but I am sure a matter such as the Winnipeg flood would be such an emergency. We can also go along with the minister so far as subsection (b) is concerned. But as other members have mentioned, the striking out of the $5,000 ceiling in subsection (c) and the failure to put in any other ceiling make it difficult for us to agree with that. In my opinion this is equivalent to changing from the tender system back to the patronage system.

When the minister spoke in introducing the bill he made some mention about the construction of the building here during the regime of Sir John A. Macdonald. I believe the idea in the back of his mind was that they were constructed more or less under the patronage system, and that was seventy-five or eighty years ago. What was done then is not good enough for today. When a previous bill was before the house the parliamentary assistant spoke about the splendid record of our civil servants in Canada. This record grew up over a period of years. I am satisfied that if we had retained the old system of selecting our civil servants from friends of the ministers or the members we would not have the splendid record we have today. In my opinion, Mr. Speaker, the same thing applies to both tendering and patronage. If we take this retrograde step and return to the patronage system I am sure it will have a harmful effect upon this country.

I am inclined to feel that perhaps some of us come from sections of the country where patronage is a little more rampant than it is in other sections. I feel that my section of the country is more patronage-minded than some other sections. I know of patronage committees in our part of the country that would just lick their lips if they saw a subsection such as the one in this bill. They would see great possibilities in it. I hope that we shall not weaken the tender system. I have not heard the minister give any reasons why this step should be taken. He made a few remarks concerning the bill, but as yet he has not told this house why this subsection (c) is necessary. The subsection refers to cases where the minister is satisfied that the nature of the work renders the calling of tenders by public advertisement impracticable. The minister has not said whether that method will be impracticable in only a few cases or in many instances. If that section remains in the bill there may be a few cases at the outset, but as time goes on we will find such pressure that there will be more and more cases in the future. There is no comparison between the two systems, as the hon. member who has just spoken pointed out.

As has been stated, the fact that different contracting companies tender for a job means that the government is going to have the work done for less than if the contract is handed out to someone who has no competition. Then again, a contractor who is successful gets the very best man he can to help him carry on the work. From my own experience so far as government work is concerned, I know that when it is not performed under a tender system everyone flocks to the door of the man who has the work to do. If any of these people are friends of the government or friends of the party, they press their claim and receive consideration. The whole thing adds up to a greater cost so far as government work is concerned.

I feel it will be a great mistake if this bill is passed in this form, and I think the minister would be well advised if he withdrew it, as has been suggested by some members.

Public Works Act

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, while various hon. members were speaking I sent out to the library for the purpose of securing the book that is the epitome of good parliamentary government in so far as finance is concerned. That book is Durell's "Parliamentary Grants". It sets forth the principles that should determine good parliamentary procedure. I feel I can do no better than read one or two portions of the preface which are applicable here.

> Progress is essential as well as permanence; and progress is only possible if it is realized that methods and practices, which however good in themselves are no longer suitable to contemporary conditions, must be amended . . .
>
> Principles, on the other hand, if sound remain unchanged. They are not affected by such considerations. They constitute a solid foundation on which systems are built up.

The great foundation principle of awarding contracts is that they shall be awarded by tender, unless an emergency makes consideration of the safety of the state take priority over the great and abiding principle that a tender must invariably be called. I know that tenders are difficult for governments that are patronage-minded. Tenders do interfere with governments that have political friends. There is a natural disinclination on the part of governments to be controlled in the awarding of contracts. The tendering system is designed to deny, so far as practicable, the use of political patronage for the benefit of the government and to the detriment of the state. The principle has been long embodied in all British parliamentary history that tenders should be awarded.

On page 339 Durell says:

> The fundamental rules in making public contracts are that each should be put out to competitive tender, open or limited, and that the lowest should be accepted.

The only exceptions are those to which I have already referred, where the treasury board or the executive, because of conditions of emergency and the like, must depart from the asking for tenders in the interests of efficient and early action.

It is passing strange that this bill, involving a departure from the principles upon which our constitutional development has taken place in this country, should be introduced so late in this session. It is obvious what the purpose is. It is done so that parliament will grant this power because of a desire on the part of hon. members to return home with the approach of the Christmas season. The minister shakes his head negatively. If that was not the purpose of introducing this bill at this time, at least the result—it was hoped—would be effected by doing that. Sir, this is one bill we in this parliament should stand against and oppose, no matter how long it takes and how much delay there is, in order to assure that it will not pass.

This bill is a dangerous one. This bill is the negation of every principle upon which true democracy is founded, particularly in connection with the financial responsibility of government. It is naïvely worded. As the hon. member for Royal (Mr. Brooks) has said, the first two subsections of section 36 are natural; there must be exceptions. But subsection (c) is a dangerous one. In effect, it says that the minister having charge of a department—and it is every minister—shall invite tenders by public advertisement except where the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable.

If you give any minister that power, or the authority to do that, it will not require any stretch of the imagination to believe that the minister will come to the conclusion that it is impracticable to grant tenders. "Impracticable" is a word with a wide definition: impossible in practice; unmanageable; impassable. If parliament grants this power to the minister of this government it will constitute an abdication of parliament's right to ensure that waste and extravagance shall not be condoned in advance, for that is in effect what parliament will be doing. It will be giving to the government or to a minister carte blanche to award contracts regardless of economy or any such consideration. It will be authorizing ministers to do that which the experience of history has shown is dangerous to place under the control of any minister.

I for one cannot support this action which, as my friend the hon. member for Royal has said, is a retrograde step that will be regretted by parliament as the years go by. In effect it says to ministers of the government: Award your contracts as you will. Parliament has given you the authority to do so. Consider no question of cost as long as you can believe that the calling of tenders would be impracticable and that the public interest can best be served by entering into a contract without inviting such tenders. Authority will have been given which will assure that any spendthrift department may spend as it will, and be authorized by parliament in advance to do so. It will be an invitation to patronage, waste and extravagance. It will place the public administration of this country at the mercy of the political friends of the government. It will constitute on the part of parliament approval of the return to a system of flagrant patronage.

Today contracts are not small; they are large. What a seductive piece of legislation this will be for the political friends of the government, who will be able to approach ministers of the crown and show how impracticable it would be to award a contract by tender, with the power granted by parliament to award it without tender. As far as I am concerned, I should like to see some of the members supporting the government speak on a matter such as this. Is it not strange that, as we sit here in parliament, only those who are opposed to the government oppose this kind of thing. This is a retrograde and dangerous step. I for one—I care not how long this session will last—will do everything I can to oppose being made the law of this country this bill which will place the public service at the mercy of the patronage friends of the government, and will place the ministers in a position to see that from now on contracts will be awarded without tender.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I rise because I believe I would be failing in my responsibility as a member of parliament if I did not condemn this bill in the strongest possible terms. As a matter of fact I am amazed at the government bringing in such a bill. I am amazed because it is such a barefaced attempt to bring back the patronage system and make it the only system operative with regard to government contracts.

The fact that this bill was introduced and brought before us at this stage of the session, when most of us had reservations and expected to be on our way home or to be going home shortly, certainly leads one to think the hope was that it would slip through without too much opposition. As has been indicated by other hon. members who have spoken, I think probably any hope the government had of that kind is now dashed.

Mr. Fournier (Hull): This bill has been on the order paper since November 23.

Mr. Diefenbaker: And was held up.

Mr. Harkness: Yes.

Mr. Fournier (Hull): It could not be proceeded with before the other one was dealt with.

Mr. Harkness: I have not heard one good reason advanced by the minister or any other member of the government, or any member of the party supporting the government, as to why this bill should be put through. Not one good reason has been advanced for it; and certainly all kinds of reasons have been advanced by members on this side of the house as to why the bill should be defeated, withdrawn or amended. I would certainly hope that action would be taken along one of those lines.

Even under the system we have today under which, generally speaking, all contracts are let by tender, a large number of contracts have been the subject of criticism. The case cited this afternoon by the hon. member for Vancouver-Quadra was, to say the least, a bit unsavoury, in my opinion. There are all kinds of other contracts about which there has been a considerable amount of talk; and I do not think all that talk was without some just foundation. The way in which many of these contracts were renegotiated after the tender was let, and the amount paid to the man who got the tender increased considerably, is one of the—

Mr. Howe: Will my hon. friend name one? He is talking in wide generalities about renegotiating contracts upward. I would ask him to name one.

Mr. Harkness: I would ask the minister if in fact a large number of contracts were not renegotiated.

Mr. Howe: Renegotiated downward, but never upward.

Mr. Harkness: Does the minister say that no contracts have been renegotiated upward?

Mr. Howe: Quite right. Does my friend know of any? My hon. friend is talking about renegotiating contracts. Does he know anything to base it on?

Mr. Harkness: Yes, there were two cases this afternoon.

Mr. Howe: Two cases where work was added.

Mr. Harkness: As a matter of fact I am not familiar and cannot bring—

Mr. Howe: Certainly you know nothing about the situation, but you can keep on talking.

Mr. Harkness: I said at the moment I cannot bring out the proof, but I do know I have heard a great deal of talk about a large number of these contracts, and I do know that a large number of contracts were renegotiated.

Mr. Howe: You just said you did not know.

Mr. Harkness: And upward.

Mr. Hodgson: "Who will stop us".

Mr. Harkness: I said I could not produce the proof at this moment. I did not say I did not know.

Mr. Howe: It is all very well to get up and smear the government with no facts.

Mr. Harkness: Mr. Speaker, the minister seems to be extremely sensitive on this. I wonder why he is so sensitive.

Mr. Ferrie: The best businessman in Canada; why would he not be?

Mr. Harkness: That just leads me to think what the situation will be if this bill goes through, as far as the Department of Defence Production is concerned.

Mr. Howe: Do not worry about that. The Minister of Defence Production has been in that department a long, long time. My hon. friend is just passing through.

Mr. Harkness: We are all passing through this world, and I think perhaps the minister is passing through at the present time a little more rapidly than I am.

Mr. Knowles: The Department of Defence Production was set up only a year ago.

Mr. Harkness: In any event, to come back to the Department of Defence Production and the contracts which will be let by it; they will aggregate, I suppose, something better than $3 billion.

Mr. Howe: Yes. They aggregated $13 billion in the last war. What about it?

Mr. Harkness: Under the present rearmament plan they will aggregate something better than $3 billion in the next two years or so, and under this provision, as far as I can see, it will be possible for every one of those contracts, aggregating that very large sum, to be let without any tenders being called; and I would think it is very likely that most of them would be let in that way.

Mr. Howe: Every tinpot lawyer can get up and make statements of this kind without any justification whatever. That is the privilege of this parliament. Go ahead.

Mr. Harkness: I would ask the minister to retract that immediately. To begin with, Mr. Speaker, I am not a lawyer; and in the second place, I have nothing to do with tin pots which the minister seems to be very familiar with. The minister often makes these statements. The last statement is typical of the statements he makes.

Mr. Howe: I will say any colonel, then.

Mr. Harkness: As far as I can see this bill is another example of the very apparent desire on the part of this government to rule in Canada without the checks and controls, either parliamentary or otherwise, which are necessary if good government is to prevail. As has been suggested, if we are to continue to have good government in Canada, if we are to continue to have anything in the nature of economy in the matter of government contracts there is no question but that the bill should be withdrawn. Or it should be amended, as was suggested by two or three speakers, by putting a limit of $10,000, or some other sum, in, as the amount of any contract which can be let without tender.

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I should like to say a word or two in opposition to the legislation that has been introduced. However, in the first place I might mention that I could support a change being made in paragraph (c) of section 36, which I feel is due to be revised. The $5,000 figure is certainly out of line with the situation that existed back in 1927, when the legislation was reconsidered; and along with my colleagues I can agree that this figure should be increased to either $10,000 or $15,000. With that I am in complete accord. I feel, sir, that in the interests of all other contracts that are issued by the government, and in the interests of the government themselves, we should be protected by the tender system. Those of us who have served in the municipal field of government know full well that when we asked for tenders we did so because it was the proper system. We realize that the public are always sceptical when the tender system is not followed in any contract. All hon. members who have served in the municipal field and who have been associated with civic and rural administrations recall that we never entertained thoughts of givings contracts even up to $100 without asking for tenders. Even at times when we did consider amounts of less than $100 in municipal work we were very politely and plainly told by government officials that the auditor of the government would not pass the accounts if we did not adopt the tender system.

Most people, sir, will agree with this procedure. Most hon. members feel down in their hearts that this should be the proper system. As far as municipal bodies are concerned, they have built up through this system of tenders on all contracts a feeling of confidence among the people in the various provinces. That is something we want to cherish and maintain.

I say to the minister in all sincerity that we do not want to embarrass him in any way in this matter, but we do feel that in government circles we cannot be too careful because we want to hold the confidence of the people whom we serve. If we are to maintain that confidence, sir, we must not give anyone an opportunity to believe or even to think it will be destroyed, but that good will shall be maintained.

I should like to say very clearly that one of the functions of government is to maintain those principles that have been advocated and carried on in municipal affairs. No one wants to see excessive powers placed in the hands of any department of government, and I am sure the Minister of Public Works will reconsider this bill for that very reason. We realize that it may cause some delay to ask for tenders on some of those contracts, to wait for them, to open them and so forth, but I say, sir, that the spotlight of the people of Canada shines very brightly and searchingly on the government and on parliament. In order to maintain the good will of those people again I say I cannot support this legislation. I trust it will be reconsidered by the minister.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, when this debate began this afternoon I must confess that I was somewhat disarmed by the very genial manner in which the bill was presented, because on my first reading of it I had come to a conclusion on this piece of legislation somewhat similar to that expressed by other members of the opposition today. Of course I must admit that, being comparatively new in the house, I am not familiar with political wiles to the extent that some of the older members of this house might be. However, I soon had my original interpretation of the bill reaffirmed as I listened to the excellent presentation by the hon. member for Vancouver-Quadra (Mr. Green) first of all, and those who have succeeded him in the discussion this afternoon.

In view of the very genial atmosphere prevailing in the chamber, at least up until just a few moments ago, I was going to take the risk of deviating from the dominant theme this afternoon and rather go off the track momentarily on behalf of the three prairie provinces, and Manitoba or western Manitoba in particular. But perhaps the tone of peacefulness prevailing thus far is to a certain extent disappearing, so I think I will not take the risk of presenting the case I had in mind.

I should like to speak not from the standpoint of any practical implications, that might arise from the proposed change in the act. As I have said, I come from the prairie provinces. The intent of the bill does not concern us too much because there are so very few contracts awarded in the prairie provinces. Actually we have no ulterior motive and no political intent, so far as this bill is concerned.

In the few remarks I shall make I should like to speak briefly about the principle involved. One of the problems that occupy the attention of students of political science in these days is that of the difficulty of maintaining parliamentary and representative democracy in a day when our parliament is forced to assume more and more power in order to operate the affairs of state. This has been particularly noticeable since the functions of parliament changed from those basically political to those of an economic nature. This bill concerns itself with the economic functions of parliament. The question with which the learned scholars occupy themselves has to do with exactly the thing represented by this bill. Is the executive assuming, to an increasing extent, more and more of the functions of the legislative part of parliament, the functions of the representatives of the people?

Recently a colleague of mine sent a letter asking me, now that I am actually engaged in the rough and tumble of political activity, whether it was true that such is happening. The theory is abroad that there is a very subtle trend toward this whittling-down process that has been referred to this afternoon. That inquiry was made at the beginning of the session. At that time I had not had enough practical experience to give many examples. But I suggest that during the last few weeks I have discovered many examples without any difficulty. We see one here this afternoon, and there was another in connection with the civil service legislation yesterday afternoon.

I have come to the conclusion that politics is an art, not a science. But I think if this bit of political artistry goes through this afternoon it will have the learned scholars, the learned political scientists, shaking their heads and speculating upon the possible fate, the possible future of our democratic parliamentary institutions.

I heartily support everything that has been said by opposition members this afternoon, and along with the others I suggest that the best recourse at this time would be for the minister to withdraw the bill. In closing I must say that during this session I have appreciated the words of encouragement offered to me, as a new member, by the Minister of Public Works (Mr. Fournier). Along with other members I have come under his gracious and charming influence. When I began my remarks this afternoon I was somewhat disconcerted for the moment, because of the benevolent manner in which this noxious bit of legislation has been presented.

I am sure after everything that has been said this afternoon the only reasonable

approach to the dilemma in which the minister finds himself will be for him to withdraw the bill.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, there has been a suggestion that some member supporting the government should have a few words to say in regard to this bill. I shall take but a very few minutes to bring to the attention of the house the fact that, in some branches of the Department of Public Works, there are times when urgent calls are received, and they require speedy action.

Let me put one case on record. In 1946 it happened that within my riding, at Leonardville, Deer Island, the breakwater was completely destroyed by a storm. In that harbour a valuable fleet of boats was left without any protection whatsoever. Telegrams, telephone messages and letters began pouring in to me stating that something must be done immediately. I got in touch with the Minister of Public Works (Mr. Fournier), and the engineers in the New Brunswick branch of the department. They made an investigation and found that the condition was exactly as I had described it.

An endeavour was made at once to find a contractor who would go down and do the necessary work. I repeat that a fleet of valuable boats was affected. The people operating those boats depended upon the breakwater for landing facilities in connection with everything landed there by means of water transportation. All those commodities the people had been accustomed to receive, and which were a great convenience to them, were lost completely. Seventeen or eighteen months elapsed before a contractor could be found to build the breakwater. During those months the boats were obliged to use a harbour many miles away, and those who operated the boats, if they got home at all at week-ends, had to do so the best way they could.

For these reasons I feel there are many cases of emergency which call for speedy action, and the bill we have before us today will receive my support because I believe the Department of Public Works and the other departments of government are perfectly capable of having the work done in this manner, instead of calling for tenders.

Mr. Knowles: That is covered under paragraph (a).

Mr. Hees: That is covered in the first paragraph.

Mr. Fournier (Hull): Do you want me to—

Mr. Macdonnell (Greenwood): No, we like this.

[Mr. Dinsdale.]

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, the hon. member for Charlotte (Mr. Stuart)—

Mr. Ferrie: Oh, oh.

Mr. Hodgson: Oh, if you would stir yourself a little bit, and have something to say about it, all right; but you would not know what he was talking about. You can't tell me anything, because you have not been here all afternoon. I don't suppose you people ever read the bill.

An hon. Member: Have you read the bill?

Mr. Hodgson: May I point out to the hon. member for Charlotte that section 36(a) takes care of the situation he described. The work he mentioned would be one of pressing emergency, in which delay would be an injury to the public interest. In that case of pressing delay the minister is allowed to go ahead. But I am objecting to paragraph (c), where the responsibility is left in the hands of the minister; and not only the Minister of Public Works but ministers in other departments. I am surprised he would want this provision written into the bill. It takes away the right to tender, and will leave more people with their hands on his door-knob looking for jobs and contracts, and all that sort of thing.

Under the tender system the minister at least has an out. He will not be bothered from Friday night until Monday morning with people looking for this, that and the other thing. They have to put their tenders in, the same as anybody else. The tender system also takes away the grounds for criticism. For instance, jobs could be let without tender. There was a case of that kind in connection with the Minister of Trade and Commerce (Mr. Howe). There was considerable discussion in the house not long ago about a job that had been let without tender.

Mr. Howe: What job was that, does the hon. member remember?

Mr. Hodgson: C. D. Howe and Company.

Mr. Howe: We are back on the old debate. C. D. Howe and Company is a professional firm, as are architects. To my knowledge it is not customary for the government to call for tenders for professional services. If my hon. friend wants to debate C. D. Howe and Company, let us adjourn this debate and I shall be pleased to take him on. Otherwise I think he had better drop that particular subject.

Mr. Hodgson: The Minister of Trade and Commerce has just brought out the very point I was coming to. I am glad he has explained it to the house because it saves me the trouble. I was in the house the day that debate took place. By taking away the

right to call for tenders on contracts we increase the possibility of criticism of the minister of any department. I hope the Minister of Trade and Commerce will not get too angry about it because I had no intention of taking him to task or inviting a debate with him. I do not want to get him into the position where he will say "Who will stop us? If we want to do anything who will stop us?"

Mr. Howe: Nobody is bothering to stop you.

Mr. Hodgson: He also said "What is a million dollars?" We do not want to get the minister into that mood; we would rather have him in his genial mood. My experience in public life has shown me that the tender system is the only system to follow. When you let contracts without tender you do not always know that you are getting the lowest price. It certainly is not in the public interest or to the public liking. Yesterday we had a case of the government taking more responsibility and authority under the Civil Service Act. In that instance I believe they were taking away the independence of the civil service commissioners. They disagreed with us; nevertheless that was the way I saw it. Today they are taking more responsibility and are asking that parliament give up certain rights which are to be taken by themselves.

I wish more Liberal members would get up on this issue and say what they really think about it. I do not like to see them sit in their seats and say nothing, and then be whipped into line to vote on the motion without having voiced their opinion.

I think the Minister of Public Works would be well advised to reconsider this bill and rewrite it so it will be satisfactory to this house and the people throughout the country. If this thing gets out into the country what will be the ultimate destination? It will be on an overland route of votes. It will not be only in the province of Ontario, it will be from coast to coast; and this government will find themselves sitting on this side of the house, in the opposition.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I think everyone enjoyed the turn put on this afternoon by the minister. He does make it hard to be indignant, as has been said earlier, but we should be indignant about this. This is nothing less than throwing down the drain a practice which has had the sanction of generations, perhaps even of centuries, in free governments. I confess that I was slow to realize the full significance of it. The first two paragraphs are fairly wide, but the third one just takes the lid off. I can see no limitation of any kind. There is nothing that could not be done under that. You could do everything under that except make a man a woman or a woman a man.

Mr. Fournier (Hull): I could not do that.

Mr. Macdonnell (Greenwood): As I say, I was slow to realize what could be done. This seems to me by far the worst thing that has been brought before us. I am glad to note that there has been some response to the struggle which some of us made in the case of the civil service bill, but if we were correct in describing that as chiselling at the rights of parliament we would have to get some gigantic word to describe what is happening here, some word like smothering, blasting or some other word that implies the destruction of everything.

I think it was the hon. member for Charlotte (Mr. Stuart) who made the point that there would be cases of emergency or where it might be in the public interest to forgo the calling of tenders. I agree with that. We are sensible people—at least we like to think we are. There may be some concessions that should be made, and we are ready to consider them.

I like to think that I use moderate language, most of the time at any rate, but I think that this is an outrage on parliament. I have often disagreed with the government, and I suppose I shall again, but I have always been able to see some argument on their side, although it might be a bad one. But I cannot see any argument for this at all. The minister did not give us an argument. He delighted us; he entertained us; he made us laugh, but he did not give us any argument for this extraordinary change in parliamentary procedure.

I should like to refer to one or two opinions which have been expressed by those in the trade. First I should like to read from the *Daily Commercial News* a summation of the opinion of those in the construction industry, and which is exactly what you would expect it to be. I quote from the issue of December 10 as follows:

> A check by the *Daily Commercial News* finds there is distinct disquiet in the industry over an amendment to the Public Works Act (Bill 26), now before parliament.
>
> This appears to indicate an abrupt change in the long-established government policy of openly calling competitive bids on almost all federal public projects valued at upward of $5,000.

And later:

> Some in the industry say they are even more concerned about that aspect of Ottawa's almost sudden proposal to revamp the Public Works Act which, they remind fellow construction men, governs federal departments other than the Department of Public Works.
>
> The impression is abroad that this could open the way for switching the opening of public works tenders and the letting of public works contracts

entirely away from the federal cabinet and reposing that authority wholly in the departments and offices of the ministers individually.

This is not something that can be done just by the Minister of Public Works (Mr. Fournier), who would do it pleasantly and genially; it is something that can be done by all ministers, some of whom would not do it nearly as nicely. Apparently they are all to have this power. We have the Defence Production Act which grants very wide powers, but I doubt if they are much wider than this. There are two things to remember about the Defence Production Act. First, we hope that it will be temporary, that it will end some day and, second, we realize that it deals with what we all recognize as an emergency. I do not know whether the Minister of Trade and Commerce (Mr. Howe) has innoculated the Minister of Public Works, in the sense of contaminating him, in the sense of filling him with some desire for wide-open powers. Now I should like to read a short opinion from an independent newspaper in Toronto, the *Telegram*.

An hon. Member: Very independent.

An hon. Member: Non-partisan.

Mr. Macdonnell (Greenwood): I understand the *Telegram* describes itself as independent, and I have no reason whatever to doubt its word. The *Telegram* has this to say, as found in the issue of November 29:

The long-established practice of inviting tenders for the construction of dominion projects will be jeopardized if parliament passes a bill . . .

And so on. I think "jeopardize" was an understatement. It would not be any case of jeopardy. It would be a case of the finish, the end. I have indicated some of my feelings about this matter. There are two other things I should like to say. Within the time available I tried to find out whether there had been any other debates on this matter, whether the question had been under discussion before. I can find nothing, and I think the reason is that it has never been questioned. It has been a part of our political thinking. It has been a part of the landscape. Nobody has ever questioned it. I have no doubt that when the minister produced this extraordinary document he must have been surprised at himself. He must have said: Well, if I get these fellows on a Saturday afternoon and treat them gently I may get this thing through. After all, let us remind ourselves that he has given us no reason yet. He has entertained us, but he has given us no reasons. I imagine he is going to give section 39 of Bill 25 as a reason and I want to warn him in advance that so far as I am concerned that is no answer at all. It merely comforts us with the thought that the great and good cabinet will decide these things, but that is not satisfactory to us. We are still among the simple people who believe that parliament means something.

I admit it is difficult for anyone outside the opposition to believe that any more, and when I say "opposition" I mean all the opposition. It is very difficult because we realize there are a lot of people in the house who feel a bit cramped in their style in expressing their views, but happily we are not cramped yet. I think that is pretty nearly all I want to say. There may be one or two other points the minister would like to hear. As I said to the minister, we have here a change which seems to me to go to the very root of the matter. It throws not only out of the window—that would not be so bad because we might go and pick it up—but down the drain what after all in any man's language who has thought about the institution of parliament at all must be, if not the cornerstone, at any rate one of the most important rights. I cannot imagine any right more important, and the minister seeks to get rid of it by this simple clause which he tries to read to us in a sort of soothing syrup manner. The base may be sweet; nevertheless the poison is there. It is 6.15, Mr. Speaker. I move that the debate be adjourned.

Mr. Fournier (Hull): We agree that you may adjourn the debate.

Mr. Macdonnell (Greenwood): It is 6.15, Mr. Speaker.

Mr. Fournier (Hull): Yes, you adjourn the debate.

Mr. Macdonnell (Greenwood): I just want to be sure that I have adjourned the debate.

Mr. Fournier (Hull): Yes, yes, we all agree. Just one word—

An hon. Member: Not to close the debate.

Mr. Fournier (Hull): I am not going to close the debate. I want to announce the business for this evening because I committed myself to my colleague, the Minister of Trade and Commerce (Mr. Howe), that he could proceed with Bill No. 44.

Mr. Macdonnell (Greenwood): Do you mean to say we are not going to go on with this?

Mr. Knowles: Did the minister submit a tender?

Mr. Howe: You adjourned the debate.

Mr. Fournier (Hull): I looked for a chance to reply this afternoon, but we will go ahead with Bill No. 44 at eight o'clock tonight.

Mr. Macdonnell (Greenwood): You had your chance.

Mr. Fournier (Hull): I do not know if we will resume the bill on public works later or if we will take up the bill of the Minister of Agriculture (Mr. Gardiner).

Mr. Macdonnell (Greenwood): I have not very much more.

Mr. Fournier (Hull): Then there is a bill under external affairs. Those are the bills we are going to proceed with.

Mr. Drew: Without extending the debate, I hope the doubt the minister has expressed as to whether we may be discussing this amendment to the Public Works Act later suggests the possibility that he is going to withdraw the bill. I would remind him that it will be only a short time until next session, when full consideration can be given to it.

Mr. Fournier (Hull): In all fairness, my intention was to take time to digest all the advice that has been given to me from all quarters of the house. I do not take this bill in a—

An hon. Member: Casual.

Mr. Fournier (Hull): —casual way. I believe it is serious. I have listened to every hon. member, and with the exception of one or two they all dealt with the amendment. A few others straggled around. I could name the hon. member for Vancouver-Quadra (Mr. Green) because what he has said today appears in the Vancouver *Sun*. It caught my eye while he was speaking. His speech came out in Vancouver before he made it here. It is all there.

Mr. Hodgson: He is doing the same thing as the Minister of National Defence (Mr. Claxton).

Mr. Green: What about the bill?

Mr. Fournier (Hull): I wish to have the advantage of replying. I want to think it over and I should like hon. members to think it over.

Mr. Fulton: You should have thought it over before you introduced the bill.

An hon. Member: Think it over until 1952.

Mr. Fournier (Hull): I should like hon. members to think about section 39 of the Financial Administration Act, and we will see who gets the powers.

Mr. Knowles: That gives it to the governor in council.

Mr. Macdonnell (Greenwood): Don't give us that.

On motion of Mr. Macdonnell (Greenwood) the debate was adjourned.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

GRAIN

PROVISION FOR SHORT-TERM CREDIT TO PRODUCERS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 44, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to complete harvesting operations or to make delivery of grain.

Mr. Ross (Souris): Will the minister make a statement now?

Mr. Howe: Yes. In my statement, made on the resolution, I mentioned that this legislation is not a relief measure in the customary sense, but rather is intended as a means of "broadening the base" upon which the banks can make commercial loans to producers. Although the general need for this type of assistance has been diminishing because of the resumption of harvesting in many parts of Alberta and Saskatchewan, nevertheless there are still some instances where the need is great and where producers would find it difficult or impossible to obtain the credit they require without this legislation.

In essence, therefore, the bill provides for loans to be made by the banks on a commercial basis to producers who are unable to harvest or to deliver their grain. By producers I mean the persons actually engaged in the production of grain, as distinct from landlords and others having an interest in the proceeds from the sale of the grain. After a loan is made the proceeds of the first grain delivered thereafter are to be applied to the reduction of the loan until the loan is repaid. An endorsement to that effect will be entered in the delivery permit book of the borrower. The aggregate principal amount of all loans is limited to $20 million. That is the upper limit, and my expectation is that the total of producers' applications will be considerably less than this amount. The government's guarantee to each bank is limited to 25 per cent of the aggregate principal amount loaned by that bank.

The bill provides that the maximum loan to any borrower may be $1,000. This maximum is subject to two qualifications. The first proviso is that if the value of the grain the borrower expects to deliver before the end

of the crop year is less than $1,000, the established value of the deliverable grain becomes the upper limit of the amount of the loan. The second qualification applies in either case, and involves deducting from the maximum amount of the loan the value of any grain delivered by the borrower between September 1, 1951, and the date on which the loan is made. Since the intent of the bill is to assist those producers who are without funds because of their inability to complete harvesting or to make delivery, it is fair and proper to deduct the value of grain already delivered. Similarly, since these loans are being made on a commercial basis, it is obvious that the value of the security must be at least equal to the amount of the loan.

The bill provides that the last date on which loans can be made by the banks is May 31, 1952. Any producer will know by that date whether or not he is in need of this assistance. All repayments should be completed with the balance of deliveries to be made from the 1951 crop before July 31, 1952, and the government's liability to the banks on any outstanding claims does not become effective until October 1, 1952. Because of the practical basis upon which the credit base is being enlarged under this legislation there will not be, in my opinion, any volume of outstanding claims upon which the government will be called upon to implement its guarantee.

The basis for my opinion that the government's liability under its guarantee is negligible rests fundamentally upon my belief in the integrity and good faith of western grain growers. There are also suitable security provisions in the legislation. I have already mentioned the endorsement which the borrower will insert in his delivery permit book. In addition the bill requires that a responsible officer of the bank shall scrutinize the loan application with the same care required of him by the bank in its own ordinary business. Section 6 of the bill authorizes the banks to lend money on the borrowers' grain, whether threshed or unthreshed, and gives the banks the same security on such grain as is otherwise provided in the Bank Act. Section 8 gives the lending bank a prior claim to the proceeds payable on delivery of the grain. And finally, under the heading of security, section 10 of the bill provides the crown with the right to receive from the Canadian wheat board any adjustment or participation payments which are due or may become due to the borrower. This will only apply, of course, in cases where the Minister of Finance has had to make payment to a bank as a result of a guaranteed loan.

[Mr. Howe.]

Hon. members will note that there is no provision in the bill for repeal of the legislation. This is to enable the crown to maintain its claim against payments which may become due in the future by the wheat board to defaulting borrowers. It should be noted, however, that much the same effect as a repeal clause is provided by specifying that no loans may be made after May 31, 1952, and by providing the cut-off date of October 1, 1952, for purposes of the guarantee.

I believe that hon. members, upon study of the bill, will agree that we are dealing with the situation in a businesslike way. I repeat that what is required is not a form of relief. Nor is the legislation anything in the nature of a handout. Rather it is a means of providing short-term credit on a business basis to a group of producers who are finding it difficult to meet their living costs because of their inability, for the time being, to deliver their grain.

Mr. J. A. Ross (Souris): In discussing this measure in the resolution stage, Mr. Speaker, I pointed out that when we received copies of the bill I fully expected the rate of interest would be set out. As a matter of fact, when other speakers attempted to question the minister during the resolution stage he said he could not go into details until the bill was before the house, which is the proper procedure. As I have looked through the bill I cannot find any section which sets out the rate of interest. I feel disappointed in that because the minister said this bill would be patterned after the Farm Loan Improvements Act. In that act the rate of interest is specifically set out. I am disappointed because many of the small operators who find it difficult to finance will probably still find it difficult to obtain a loan from the bank under this measure. The fact that no rate of interest is stated in this measure will make it difficult for the small operator.

In the part of the country in which I live the same local bank will charge different farmers different rates of interest, depending upon the status and security of each. I think this house will be disappointed in the fact no rate of interest is set out in the bill, as there is in the Farm Loan Improvements Act. If this was intended to assist the small operator who is finding it extremely difficult, the measure will prove disappointing.

According to the estimate of the minister, the percentage of the grain which is still in the fields is as follows: 50 per cent in Alberta, 25 per cent in Saskatchewan, and very little in Manitoba. Taking the minister's estimate and comparing it with the report of the bureau of statistics issued on the 13th, it

would prove that on the basis of the initial payment, with the total wheat crop of the three prairie provinces estimated at $600 million, there is still unharvested $175 million worth of wheat. There will be other payments to come later. That is the value that is out. The government guarantee of $5 million—that is 25 per cent of the $20 million—is therefore less than 3 per cent of the total unharvested crop, which is not very good. I imagine that the large operators who have considerable grain out, while they have had terrific expense, still would probably be able to finance at the bank. I therefore think that a great many of the people who most need this assistance will be greatly handicapped, and the more so when there is not a rate of interest set forth in that bill. I am terribly disappointed that the rate of interest is not embodied in the bill because, as I say, I know that men in my own community—neighbours of mine and myself—when we are arranging credit for the year, are charged a different rate of interest. Therefore you will realize what a great handicap that will be to the small man whose credit is not too good in that community. In many instances he will probably not be able to get assistance under this legislation.

There is much else I might say about this bill, but I do not want to repeat what took place at the resolution stage. I still hope something can be done to have inserted in this bill a definite rate of interest which will be of assistance to the small operators who greatly need it. I am also sorry that this matter was not dealt with somewhat earlier, because many of these people who have little other income, who have families to provide for, and with winter now upon us, find it difficult to make bare provision for their families let alone provide them with a proper Christmas. I should like to have seen this matter dealt with some weeks ago. May I appeal to the minister to have inserted in the bill, even in the committee stage, a rate of interest which will provide for all the operators throughout this stricken area of the prairie provinces.

Mr. P. E. Wright (Melfort): Mr. Speaker, I think one thing the minister said was exceedingly true indeed. That was that the government risk in making these loans is negligible. I would, however, give a different reason from the one he gave. He said it was negligible because of the confidence the government have in the farmers. I would say the government's risk is negligible because of the conditions under which the loan is made. No farmer can obtain a loan without first producing his delivery book and having the loan indicated in the book. He cannot make delivery of a bushel of grain for which he receives payment through the wheat board without that loan being first taken care of. As far as the government is concerned there is no risk. All they are likely to have to meet, I would say, is 5 per cent of the amount they guarantee under this bill, because of these restrictions. The only person who could possibly be a risk would be someone who quit farming this year, never delivered another bushel of grain and had no payments coming through the wheat board. He is the only man who could possibly default, in view of the conditions laid down in this bill as I read it.

The matter of interest raised by the hon. member for Souris (Mr. Ross) is one that I raised yesterday. As he has stated, the banks in the western area charge different rates of interest depending on the risk they think is involved in making the loan. A large operator or farmer can go in and quite often get a rate of interest of 5 per cent. When a smaller farmer goes in, where the risk is greater, he pays 6 per cent. When the wheat board borrow money to finance initial payments on the grain bought by the wheat pools and the elevator companies, they borrow money at 4 per cent. When the wheat board, as a government agency, apply to obtain funds from the banks for the carrying of the grain they hold, they have a rate of 3 per cent. So as I see it, under this act different rates of interest may be charged to different farmers, depending on the views of the bank manager as to the risk involved. I do not think there is any risk—or if there is it is negligible—where the entry is made in the delivery book of the farmer. If he delivers grain at any time afterward or receives payments through the wheat board, those payments must be first charged against the loan.

The people who are really affected, at least in the area from which I come, are those who live a long distance from the banking institutions. In my own constituency the distance from Hudson Bay Junction to Tisdale is approximately 100 miles. There is a bank in Hudson Bay Junction and there is a bank in Tisdale. There are several hundred farmers living at Prairie River and Mistatim, or along that line, who are forty or fifty miles from either of those banks. They have to journey to one or the other of those towns in order to negotiate a loan. They have probably never before been in the bank asking for a loan, because many of them have small acreages. They are in the pioneer stage, and they have not made much this last year. In fact, in a large area there last year their

crops were completely frozen. Many of them had to burn them this spring in order to put in this year's crop. Now they find this year's crop in that area, or at least 70 per cent of it, under the snow. With a heavy crop lying there flat on the ground, their chances of salvaging it in the spring are small indeed. I have letter after letter from that area indicating that it would be doubtful whether the grain which is not swathed can be harvested in the spring. From practical experience I know that where you have a heavy crop of grain and it is lying flat on the ground, when spring comes and you go in with a combine to try to pick it up it pushes ahead of the combine, and there is nothing you can do with it. I have had to burn crops because of that situation, and I know that condition exists there.

These people have lost two crops, yet under this act the minister states that an entry will be made in the delivery book. They will not be able to meet the loan out of this year's crop, but they can never deliver a bushel of grain again until that loan is paid. Over the past two years they have accumulated debts to the storekeeper for living expenses, and they are in a serious position. I can assure the minister that this act is going to be of little value to them. Those cases are not just isolated instances; you will find this situation right across the whole northern part of Saskatchewan and in some areas in the province of Alberta.

I would certainly urge on the minister that, where there has been a complete crop loss this year and where nothing is salvaged out of the crop, these loans should not be repayable. I think something should be done about that matter. I also believe that something should be done in the act to state the rate of interest on these loans; because I am certain the banks are not taking any risk where they have the entry made in the delivery book of the farmer, and as to any grain that farmer delivers in the future the first charge against it is the repayment of this loan.

Many of these farmers have not even been able to pay their taxes. Yet before they can pay their municipal taxes they must repay this loan. It is not being fair to the municipalities. It is not fair to the storekeepers and pools in the area who have carried these farmers that this loan should be the first charge against any grain delivered. That is the only income these farmers have. In some cases this will be the second year they have lost their crops. In that area some payments were made under the Prairie Farm Assistance Act last year. But in some cases the townships did not qualify because there was the occasional crop in the area that was extremely good and was harvested. Again this year the same condition applies. Some of the larger farms in those areas, which had combines, were able to harvest a portion of their crop; the yield was very good, and therefore disqualifies the whole township as far as P.F.A.A. payments are concerned. That is the only alternative the farmer has. The only credit he can get is through this legislation. The conditions the minister has placed in the legislation with respect to repayment are not giving a fair chance to the municipalities to whom the farmers owe taxes, or to the dealers in the areas, the storekeepers and other people who are carrying these people on their books.

Mr. Victor Quelch (Acadia): Mr. Speaker, I think this proposal, purely as a federal measure, is fairly satisfactory. Of course there will be many farmers who will not be helped very much by it. They could only be helped by outright grants. I quite realize that if anything of that kind were to be done it would have to be in a measure different from this.

The government is right in bringing down this proposal to utilize the banks rather than the wheat board or the elevator system. It would be a great mistake to try to get this done through the wheat board. I believe that board runs into enough criticism as it is without embarking on a program of helping to finance the harvesting operations of the farmers. I would say that the vast majority of the criticism of the wheat board today is unjustifiable. It is criticism that is made because the people who make it do not realize the true situation. Personally I think the wheat board has done a magnificent job. I believe a great deal of credit is due to the board for the way they handled the farmers' wheat, especially under very difficult circumstances.

In so far as the $5 million is concerned, I have heard some hon. members say they do not think it is enough. Personally I believe it should be enough. Of course it all depends on whether or not the banks endeavour to get the farmers to take loans under this measure instead of making loans in the usual manner If under this legislation they are going to grant loans to the farmers who would normally be obtaining loans as a matter of general banking practice, then it is quite possible that the full amount of money may be used up by farmers who do not need to borrow under this scheme. That is something we should safeguard against, and I mention it as something that I think should be watched. In so

far as the losses are concerned, I do not believe that they will be very great. As the legislation is worded there seem to be ample safeguards, and I do not suppose for one minute that the banks are going to make loans to farmers whom they consider to be absolutely uncreditworthy. If a farmer has a reputation of not meeting his obligations I doubt very much whether he will get any help under this legislation, in view of the fact that the banks are handling it. I am not even saying they should. If they have built up that kind of a reputation, then I doubt very much whether they should be eligible under this legislation.

So far as the district in which I reside is concerned, I have found that the banks are perfectly willing to make loans to all bona fide farmers under the farm improvement plan. Under a scheme of this kind it should be far easier for the banks to make loans than under the farm improvement loan scheme, because the guarantee is that much greater. However, I have one or two objections, one of which I mentioned when the legislation was in the resolution stage. I said then that I thought the $1,000 limit was too restrictive. I think some leeway could be given to the local bank to decide whether a loan should be $1,000, $1,500 or even $2,000. It all depends on the size of the operation. For a small farmer, $1,000 should be ample. But if the man is farming on a fairly large scale and has perhaps his total crop unthreshed and under the snow he will need more than $1,000. Yet I take it under this proposal the hands of the banker are tied. He is not in a position to make a larger loan than $1,000. That would be one of my main objections to it. I think the government could give the bankers a little more leeway on this question. I realize the government may be afraid that if that is done the banks may be making too large loans to farmers who really do not need them, and then in cases where the loans are really needed the banks would find that the amount of the guarantee had been exhausted.

Then there is the question of the interest rate. Under a scheme of this kind, where there is a 25 per cent guarantee, I cannot see why the interest rate should be higher than that under the farm improvement plan, namely 5 per cent. Surely that should be ample. I think it should be so written in the legislation. If it were written in the legislation that the rate of interest was to be only 5 per cent then you would deter the bankers from trying to act under this scheme instead of lending money under the normal banking practice. If under the normal banking practice they were getting 6 per cent, they would sooner lend money at 6 per cent than advance money under this for 5 per cent; but if you are writing nothing into it, but letting them charge the same rate under this scheme as under the normal banking practice, then they will try to get the farmer to borrow under this scheme because they have the 25 per cent guarantee. Therefore I think the 5 per cent rate of interest should be put into this legislation. As I say, that would deter the banks from lending money under this scheme to people who should be able to borrow in the normal way.

I think generally speaking the proposal is quite good, but a little bit late. However, I am certainly glad the government has decided to use the chartered banks rather than try to utilize the facilities of the wheat board.

Mr. G. M. Ferrie (Mackenzie): I should like to say a few words on this bill. I think it affects my constituency more than any other in Saskatchewan. I should like to compliment the minister. I want to thank him for going out to western Canada and investigating the case, and I should like to say how pleased I am to see this bill brought down.

In the northeast part of the province of Saskatchewan we have a population that is just starting in farming. It is really and truly a pioneer country, starting in to make one of the best sections to be found in western Canada. These areas where they are farming are a long way from banks. I am not going to say anything against putting the loan through the bank, but I should like to see something in the regulations stating that if a farmer has from 20 acres and up under the snow the banker has no right to turn him down. He should get his loan. The guarantee is sufficient to take care of that. Some hon. members down here do not just realize what a permit book is, what it really means. It shows every bushel of grain that is marketed and every acre that a farmer has under cultivation. There is no reason for any loss, and I do not think there should be any.

This is not the only time we may have to come to the government of Canada and ask for some form of protection in our country. We in western Canada have been good to Canada. We have produced enormous amounts of grain, large numbers of cattle and quantities of animal products. We have produced these; we have done our share to help the economy of Canada, and there is no reason why there should be any kick against this bill. There is no reason why we should not have this help at this time. There is no reason why a bank should not render service to an individual who is in difficulty. A former speaker said he was glad to see the loans being put through the banks. To some

extent I am, too; but I also appreciate something else. I appreciate our one great organization in western Canada, and that is our wheat pool.

When the minister was speaking the other day at the resolution stage he said the wheat pool was willing to co-operate, and that if there was any loss they were willing to pay part of it. I ask here and now: why did not all the grain companies of western Canada offer to do that? We have looked after them; we have given them good dividends; we have done the right and proper thing so far as the elevator companies in western Canada are concerned. There is no reason in the world why they should not all have come forward and said, "We are willing to render a slight service to the people of Canada, to the government of this country".

If that had been done there would have been better co-operation in my part of the country for the simple reason, as one speaker said—I think it was the hon. member for Melfort (Mr. Wright)—that some of the farmers are fifty miles from the banks. In my constituency some of them are sixty or seventy miles away. When they get to the bank, the banker will look at them in a very discouraging way. Their assets are not very great. They may have only seventy-five or a hundred acres broken, at the very outside. And in passing let me tell the house that during August and September there were only nine days when we did not have rain in that northeastern part. That is a very serious situation.

No one up in that country is looking for a handout. We do not want handouts. All we want is fair play. We want to see the banks play fair with the farmers who have had the small crops.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the remarks of the hon. member for Mackenzie (Mr. Ferrie) are most significant at this time. Because this problem affects his constituency so vitally, I believe the hon. member is beginning to realize the possible shortcomings of the measure before us. He mentioned that the small farmers might have difficulty getting loans from the bank. I agree with him that the wheat pool organization could have handled this measure, and that the elevator companies should have offered to go along with the wheat pool in that regard. Local wheat pool agents and the agents of other elevators are at every delivery point. They know the circumstances of the farmers. They are close to the situation, and in my view they could have handled this particular type of assistance for farmers in a better manner than is provided in this legislation.

As the minister has said, I think it is clear that the government is risking very little in this legislation by way of guarantee. The maximum loan a farmer can get is $1,000. If he has already delivered $1,000 worth of grain, he cannot get a loan. If he has delivered grain to an amount less than $1,000, the value of the delivered portion is deducted from his loan. The amount of the loan is entered on his permit, and when the farmer delivers grain to the elevator the full price of that grain is deducted for payments on his loan.

I, for one, hope the farmers in western Canada will not have to use this measure. I know that if I, as a farmer, needed money I would think twice before putting myself in the financial strait-jacket represented by a loan under this measure.

Other hon. members have said that the full amount should not be deducted as the farmer delivers his grain. I think perhaps a percentage should have been deducted. If a farmer has $1,000 worth of grain out under the snow and has threshed no grain, and receives a loan of $1,000; then, although I am sure the farmer will do his best, what incentive has he to go into more debt to get that $1,000 worth of grain out of the snow, when he will not receive any cash when he markets the grain? I believe there should have been a percentage, perhaps to the extent of 50 per cent or even more, if the minister had wished to do it in that way. But when a farmer gets a loan under this legislation, surely a portion of the proceeds from the sale of his grain, when he markets it subsequently, should go to the farmer, and a portion to the bank, not the whole of the money to the bank as is provided in this legislation.

I am sure the banks will be happy about the measure. They are going to be able to lend millions of dollars with absolutely no risk. The farmers are tied in a strait-jacket. Unless they quit farming or die they are going to have to pay the whole sum, and pay it in short order.

The minister has said that the government is risking little or nothing by giving this guarantee. One would think there was no emergency in western Canada at all, after reading this bill. I was glad that when the people of Winnipeg, Rimouski, Cabano and the Fraser valley faced emergencies the government came through with some money for their help. I believe if the Minister of Agriculture (Mr. Gardiner) had been handling this measure he would have brought in something better. From the discussions he had in Saskatchewan I believe he had another plan in mind, and that it was a better plan.

In Saskatchewan, Manitoba, Alberta and the Peace river country the Prairie Farm Assistance Act applies. If there is a widespread crop failure farmers receive some money without any necessity whatsoever of repayment. If there had been an amendment to the Prairie Farm Assistance Act whereby a farmer who, in the spring, has to burn his crop or plow it under, would get even $2.50 per acre as provided under that act, he would receive more actual benefit than he can under this legislation.

As the hon. member for Acadia (Mr. Quelch) has said, $1,000 is not very much money in this day and age. The amount of the loan should have been higher. I believe it should have been at least $2,000. One farmer who will have difficulty under this measure is the one who has already harvested and delivered $1,000 worth of grain. I know that farmer, in common with all others, will have spent the $1,000 long before the grain has been threshed. No doubt he has paid part of it to the municipality for taxes, part of it for groceries, part for gasoline and repair bills in the local town, and part to meet other obligations. The man who has threshed $1,000 worth of grain is probably broke today. If he has another $1,000 worth of grain out under the snow he will not be able to obtain any assistance under this measure.

As I have said already, I hope the farmers of western Canada will not have to avail themselves of the provisions of this measure. I hope they will be able to get the ordinary type of bank credit, or that they will be able to get credit through their credit unions. If a farmer gets credit under this legislation he places himself in a financial strait-jacket until the loan is repaid. The banks are risking nothing under this measure; they stand to gain. The government is risking very little.

The situation faced by many farmers is an emergency, and I think in the main they would have been better pleased had the government considered this to be a real emergency and provided some actual financial assistance. The least the government could have done in this emergency was to arrange to pay the interest on these emergency loans, at least for eight months.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am glad that when introducing this bill the minister made it quite clear that this is nothing in the nature of a handout.

Mr. Howe: Quite.

Mr. Coldwell: The government is well protected; the banks are well protected, and the western farmers are going to meet their obligations in the manner in which they have always met them.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the leader of the C.C.F. (Mr. Coldwell) has described the situation exactly. The purpose of the bill is to place farmers who have for one reason or another been unable to deliver any grain in the position they would have been in had they been able to deliver one thousand bushels. We were asked for this legislation; a number of hon. members stated the position in their own constituencies and said this type of relief was needed. At the same time they made it very clear that they did not want a handout. In other words they did not want any loan treated as disaster money, as the hon. member for Assiniboia (Mr. Argue) wishes to treat it.

It is not that kind of help that is needed in western Canada. We have had the largest total crop of grain in western Canada in our history. Some time before next spring about 97½ per cent of that grain is going to be harvested and marketed, and there is going to be more money in western Canada at that time than probably there has been from any single crop. That is the situation; it is not a disaster situation. However, it is a calamity for those farmers who have not been able to harvest any grain or who, if they have harvested, for some reason or other have not been able to deliver any grain. The problem was to make it possible for those farmers to be in the same position as though they could deliver 1,000 bushels of grain. We will do that by advancing $1,000 against grain in the fields or in storage.

The suggestion has been made that the operations of many farmers are too small and they will not be able to take advantage of this legislation. Each farmer has in his possession a document which shows his exact position, his delivery permit book. It shows his seeded acreage of each type of grain. If that permit book is brought to the bank and it shows that he has a certain acreage and has not delivered any grain, he is able to make out a prima facie case for obtaining a loan. It will be quite easy for a bank to check up on the position in that district. A banker can telephone the country elevator operator or go out and look at the farm himself. Unless he has good reason to believe that something has happened to that grain which is not general over the district, he is pretty well bound to make a loan.

The bankers whom we met accepted that responsibility. I may say that they were not keen to take on this business, but they accepted it as a public service, knowing the

obligation that was upon them to do the job in the manner in which the government expects it to be done.

Mr. Coldwell: Was there any discussion about the interest rate?

Mr. Howe: Yes. We had in the bill no later than three or four days ago a clause setting the interest rate. The hon. member for Acadia (Mr. Quelch) said that if the standard rate was 6 per cent in a district and this measure specified 5 per cent, the banker would be trying to lend at the 6 per cent rate instead of at the 5 per cent rate. There would be the converse situation in which a man paying 6 per cent on a normal loan might borrow under this arrangement at 5 per cent. He would be under the temptation to pay off his loan at 6 per cent and substitute the second loan.

After a great deal of study we decided that the only practical thing was to accept the interest rate in the district. It varies. The rate we had in the bill at one stage was not greater than 5½ per cent. We were assured by the committee of bankers with whom this transaction was negotiated that the rate would not exceed 5½ per cent in any district, and that in some districts it would be lower than that. It will be the prevailing rate for that type of loan in the district. After a great deal of study we came to the conclusion that we had better adopt the rate in the district for the type of loan that is covered by this measure.

Mr. Fair: That means the rate will not exceed 5 per cent?

Mr. Howe: Five and a half per cent. We were assured of that by the banks, although there is nothing in the bill that makes it mandatory. Reference has been made to farmers who might be some distance from a bank. That situation arises more often in Saskatchewan than in Alberta. In Alberta there is good coverage by the banks, but I believe that in Saskatchewan there are many farmers fifty or sixty miles from the nearest bank. However, most producers have some kind of conveyance and a trip of sixty miles and return to get $1,000 would not seem to be too far. I do not think that is an insurmountable difficulty, although it is regrettable. I wish some more convenient system of distributing this money could have been found. Although other ways were explored we met with a few disappointments and decided that using the banks would be the most feasible way of doing the job.

I will admit there was no intention that great risks should be taken. We are advancing money against good security. It is intended to be a short-term loan. As the security is realized we intend to collect the money. The chief purpose we sought to achieve was to place every farmer in as good a position as he would have been had he been able to deliver 1,000 bushels of grain in the normal way.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Wright: I want to say something of a general nature on section 1. I agree with the Minister of Trade and Commerce that in a great number of areas in the west this bill will do a reasonably good job, but in at least a part of the area I represent and in a large part of the area represented by the hon. member for Mackenzie many small farmers are a long way from banking facilities, and it is not going to do a job. Just imagine if you were in the position of one of these small farmers who has 100 acres of grain. In most cases it is less than that. Let us say he has 50 to 100 acres. He goes to the bank and gets a loan of $1,000. That loan will carry him over the winter. Then he is faced with the proposition of harvesting his crop in the spring; and he wants to go to the dealer and get certain supplies for that purpose. The dealer knows there is already a loan of $1,000 against the crop which must be paid before he can get one cent for the gas or anything else he advances to the farmer for harvesting the crop. How is he going to harvest that crop? I should like the minister to answer that. Many small farmers would like an answer.

Mr. Howe: I assume the hon. member is speaking of a farmer who only grows $1,000 worth of grain.

Mr. Wright: Many of them only have a small acreage in grain.

Mr. Howe: We will talk about a farmer who only grows $1,000 worth of grain. We will assume that in a normal season he is able to market his grain in the usual way; he brings it to the elevator and gets $1,000. What does he do in that case?

Mr. Wright: He also has his other payment coming in the spring.

Mr. Howe: He has that under this arrangement too.

Mr. Wright: No, he has not.

Mr. Howe: Yes.

Mr. Wright: No, because he has not delivered any crop and he has no further

payments in the spring. If he has any payments coming in the spring they are already hypothecated to pay the loan.

Mr. Howe: No, he will get his further payments this year. The only security we get is the initial delivery.

Mr. Fair: It has been suggested that a farmer who has delivered $1,000 worth of grain cannot get any further credit under this legislation. In my opinion that is not correct. What is the correct answer?

Mr. Howe: That is correct. If a farmer has obtained $1,000 by delivering grain from this crop he is ineligible for further credit.

Mr. Fair: I do not think that is very good business, because many people have very heavy expenses. The fact that they deliver a thousand bushels of grain and get an interim payment on it will not begin to pay the expenses incurred by many farmers. I think the $1,000 credit will not be sufficient.

Mr. Argue: I should like to follow up the minister's illustration of a moment ago with respect to the small farmer who ordinarily would thresh $1,000 worth of grain. He can apply now and get a loan of $1,000, but there is no assurance that that farmer will in fact be able to harvest his crop next spring. I believe the vast majority of the crop will be harvested, but if a man has a low-lying farm subject to floods the whole crop may be wiped out. If there is a wet, damp spring weeds will come up through the standing grain or through the swamp. I know that thousands of acres were burned over in my area in the spring of 1943 following the fall of 1942 when we had a situation such as we have now. If 50 per cent, shall we say, of the grain delivered on the permit book were allocated to the payment of this obligation the farmer would then have a little cash with which to go to the storekeeper and oil dealer and secure some supplies for spring operations. The minister has said—he is always an optimist and is very often right—that he expects about 97½ per cent of the grain will be harvested. I take it he means acreage. I think much more than 2½ per cent of the grain is lost now. However, he says that he expects 97½ per cent of the crop will be harvested. I hope the minister is right, and I think there is a good chance that he will be right, but the 2½ per cent that remains unthreshed will mean the whole crop for a lot of the smaller farmers.

Under this measure the 2½ per cent of the farmers who are unable to harvest their crop even in the spring will be able to get an advance of $1,000. Then they will be tied up for $1,000 worth of next year's crop. I should like to see, although I do not think the time is ripe for it now, an amendment to the Prairie Farm Assistance Act which might bring the provision I wish to suggest into effect at the end of July next year. An inspection could be made then of the farms to ascertain which farmers had been unsuccessful in harvesting a large part of their crop. There are bound to be some farmers in that position. No farmer with a potential crop of 30 or 40 bushels an acre will forget about harvesting it in order to get some help under the Prairie Farm Assistance Act. However, if because of bad weather conditions next spring certain farmers are unable to harvest their grain, I think in an emergency like that an amendment should be made to the Prairie Farm Assistance Act to provide for payment to them of $2.50 an acre. It is not very much, but for the small farmer in the constituency of the hon. member for Mackenzie, shall we say, who next spring is unable through no fault of his own to harvest his crop, $2.50 an acre paid under the Prairie Farm Assistance Act would be of some material help. That is the type of emergency that I think the government should deal with.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

On section 9—*Offences.*

Mr. Fair: You are going very fast, Mr. Chairman, and before you get away from us I should like to say something about clause 9. I think subsection 1 (a) is all right but subsection 1 (b) reads:

> A person who makes any other statement in his application that is false in any material respect . . .

I should like to see the word "knowingly" inserted before the word "makes". In many cases farmers may unintentionally make some statement that would get them into trouble under this clause, If we add the word "knowingly" it will relieve that situation. I am not sympathizing with the person who knowingly makes a false statement, but having been in banks myself and having sat on the other side of the desk from the manager a good many times in the past, I know that in many cases the manager writes down the answers to his own questions without consulting the fellow on the other side of the desk. The word "knowingly" would protect the innocent farmer. I should like to see it inserted if the minister has no objection.

Mr. Howe: I have an objection. Whether false statements are made knowingly or not is a matter of conjecture. It is a very difficult fact to prove. I think any misstatement of fact would have to be a gross misstatement such as saying that he owned property he

did not own, or did not have a mortgage when he had, or something of that sort.

Mr. Fair: I do not think a farmer would take the chance of doing that, because the banker knows his business much too well.

Mr. Howe: If that is the case probably the clause means very little because it would have to be a rather gross misstatement of fact.

Mr. Quelch: I should like to draw the attention of the minister to the fact that in subsection 1 (a) you have the word "knows". The subsection reads:

> A person who states in his application an estimated quantity of crops or grain or an estimated amount that he knows to be false.

Mr. Howe: Yes.

Mr. Quelch: Why not say in subsection 1 (b), "makes any other statement in his application that he knows is false"? When it comes to estimating crops, it is going to be a pretty wise man who will be able to estimate what a crop will yield next spring. We do not know how much damage will result to the crop on the ground. It may only yield half what it was in the field.

Mr. Howe: That is why 1 (a) is worded in that way. It reads:

> A person who states in his application an estimated quantity of crops or grain or an estimated amount that he knows to be false.

For instance, a man may come in and say that his wheat goes 30 bushels to the acre and it may only go 20, but he may still be giving an honest estimate of what he thought that grain would yield. Therefore so far as the amount of the crop is concerned it is a case of knowing the estimate to be false. "Any other statement" refers to a statement of fact that is false, and not an estimate. I think there is a distinction between the two.

Mr. Quelch: He is not required to make any statement about whether he will harvest before seeding. He may intend to do it, but on account of weather conditions and so on he would not be able to do it.

Mr. Fair: What sort of statement is covered by section 9, subsection 1, paragraph (b):

> Makes any other statement in his application that is false in any material respect;

What would that cover?

Mr. Howe: He may say that he owns grain, whereas he may be only a tenant farmer and entitled to only the tenant's share of the grain. He might make any other statement about his position that would be false.

Mr. Fair: That would be deliberate.

[Mr. Howe.]

Mr. Howe: Yes. I cannot think of anything else. In any question that involves judgment we say that if he knowingly makes a false statement, then he must be guilty. If he makes a statement of fact, then the fact must be accurate.

Mr. Fair: The minister will cover the situation by placing the word "knowingly" in that section. I do not suppose the minister would mind adding an additional word to make the bill quite clear. We have made changes in some of the other legislation we have had before us.

Mr. Howe: I am afraid it would not apply in this case.

Mr. Wright: What is the position of the landlord and tenant under this bill? Is it the tenant who will make application for the loan? What happens to the landlord's share of the crop; is that hypothecated on the loan?

Mr. Howe: That is a matter for the bank to sort out. Of course only the tenant would be entitled to make application for a loan. The landlord is not entitled to make application, and the security of the tenant is something the bank must work out. I suppose the tenant could only borrow on his interest in the grain.

Mr. Wright: What action is taken in a case such as I am going to describe? I know that a good many farmers are optimists and really expect they are going to harvest their crop. Suppose a farmer says he has a crop that will yield about 30 bushels to the acre. He finds when he starts to harvest his crop in the spring that it is impossible to operate his machinery. He made a statement that he intended to harvest it, and he tried to do so. Will there be any action taken where a farmer is unable to harvest his crop because of reasons over which he has no control?

Mr. Howe: In a case like that, it has to be proven that he intentionally made a statement that was false.

Mr. Quelch: Consider the case of a tenant who receives two-thirds of the crop. When he delivers his grain in the spring the bank will be able to insist on repayment from two-thirds of that crop on the loan they have made. Would there be any demand made on the other one-third?

Mr. Howe: I would not be too specific, but I would think that two-thirds of the crop would be applied against the loan, and the other third would be turned over to the landlord.

Mr. Quelch: But if the proceeds from two-thirds of the crop are insufficient to meet the

loan, the bank would not be in a position to take the other third in order to liquidate the loan.

Mr. Howe: No.

Section agreed to.

Sections 10 to 14 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Howe: Now.

Mr. Howe moved the third reading of the bill.

Mr. J. H. Blackmore (Lethbridge): Before the bill is read a third time, Mr. Speaker, I wish to say a word or two for my own section. No doubt conditions vary considerably throughout the two provinces of Alberta and Saskatchewan. In a large part of my constituency this measure is going to be of very little value. As I indicated in my speech of December 10, the losses there are almost as great as would be occasioned by a hail storm. It is doubtful that much of the grain in the western part of my riding will be capable of being harvested. Conditions are a little better in the southern and eastern portions, because there they did get some grain. I would imagine that all the way up the eastern foothills of the Rocky mountains there will be found conditions somewhat resembling those which obtain in my own riding. I believe the government should take more definite measures than those appearing in this bill.

Some steps ought to be taken to reward the people in those parts for the amount of money they have contributed under P.F.A.A. They have been making payments under P.F.A.A. ever since 1939. They have paid a lot of money in, but they have not received a cent in return because in that area they rarely lose enough of their grain to qualify for payments out of the fund. This area generally produces good crops. Heavy losses were substained there, as a result of the money which was stolen from the farmers of western Canada under the U.K.-Canadian wheat agreement. The losses were heavy because these farmers sold a lot of that grain. As I said the other night, I believe they should receive better treatment than this bill offers. I really believe that the minister, after having this bill passed, ought to begin to think of something a little better than this to aid the people in these grain growing areas.

Motion agreed to and bill read the third time and passed.

94699—130

AGRICULTURAL PRODUCTS BOARD

TO PRESCRIBE THE CONSTITUTION AND POWERS OF THE BOARD, AND TO PROVIDE FOR NECESSARY EXPENDITURES

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 18, to provide for the establishment of an agricultural products board.

Mr. Charlton: Is the minister going to make a statement?

Mr. Gardiner: Mr. Speaker, the bill was thoroughly discussed in the resolution stage, and I do not know that there is anything I can add at this moment by way of discussing the principle of the bill. I feel I covered that very fully when we were in the resolution stage. I believe we could spend our time to better advantage at this stage in committee, where information could be asked for by members who so desired, and I am in the position to give information. I doubt very much if I could use the time to best advantage by repeating what I said before. I should like to move second reading at the moment and if there is any general discussion to listen to it and then go into committee as soon as we may so the information which members desire can be obtained.

Mr. J. A. Charlton (Brant-Wentworth): It is not my intention to take up much of the time of the house now, but I want to make a short statement about this bill. I realize to some extent the necessity for legislation of this type, since it will be more or less a stopgap due to the lack of producer boards in the country at this time. I should like to have the minister's assurance—and I think he can give it to us—that this board will not be used to discourage the setting up of more producer boards, or to work in competition with or to the detriment of any producer board now in existence. That is all I want to say at the present time, but I should like the minister to give us that assurance, namely that it is not going to work to the disadvantage of any producer board now in operation and that it will not work in opposition to or in competition with a producer board that may be organized in the future.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the bill before us empowers the government to establish an agricultural products board. While the bill empowers the governor in council to direct that board to do a number of things, such as purchasing food products in Canada for shipment to overseas countries and the buying and selling of agricultural products within Canada, it seemed to me that the main or the first purpose of the board would be to handle the imports of butter into Canada in the coming months.

Agricultural Products Board

When we were discussing the resolution preceding the bill the position of the members of the C.C.F. group was that we supported the bill; we are pleased to give the Minister of Agriculture (Mr. Gardiner) another board if he thinks he needs it. At that time, however, we said—as we have said in this house in the past—that in this measure a formula should be provided for the establishment of floor prices.

In the debate the minister said the policy of the government in establishing floor prices was to establish them on the basis of the same price-cost relationship that prevailed for agricultural products in the years 1943 to 1945. As reported at page 997 of *Hansard*, in reply to a question asked by the hon. member for Acadia (Mr. Quelch), the Minister of Agriculture went on to attempt to demonstrate to us how the government's formula had applied to the dairy industry. The minister took the present prices of milk and said that the price today is higher than the price based on the formula. He made the same statement with regard to cheese. He said the present price is higher than the price would be based on the 1943-45 price-cost relationship. As reported at page 991 of *Hansard* the minister made this admission:

> Then, coming to butter the figures are 100 and 152. That is the low one. And when some say that butter is one of the lowest priced foods in Canada today, they are perfectly right. Taking 100 as the basis for 1943-45, the index for butter is 152.

The minister had already, prior to that, stated that the cost index today was 160. In that statement the minister admitted that the government's legislation does not provide a floor price based on parity with the same price-cost relationship as that which prevailed from 1943 to 1945. There is under milk no floor price established by this government. There is no floor price under cheese. The minister's argument therefore has no bearing when he gives us these prevailing prices for milk and cheese. The one thing under which the government has a floor price is butter; and the minister admitted that the floor price is below his own formula and that butter is one of the low priced commodities in Canada today.

There are three farm commodities today under which support prices are provided by the government. The first I have mentioned, namely butter. The minister himself says that butter prices are low and that the formula is not being applied to butter because the price is lower than the price-cost relationship, based on 1943-1945.

The government has a floor price under eggs of 38 cents a dozen for grade A large at Montreal. Taking 1943-1945 as 100, the minister said the farmers' cost of production

index today is 160. In 1943-1945 the prices of eggs varied from a low of 34 cents a dozen in April 1943 to a high of 48 cents a dozen in the winter of 1944-45. I have worked out the average price for eggs in that three-year period and, on the statistics I obtained from the Department of Agriculture, I get an average egg price in 1943-45 of 38 cents a dozen. The floor price today is exactly the same as that which prevailed in 1943-45, yet the cost of production, on the basis of the minister's own statement, has gone up 60 per cent.

If the minister had a formula written into legislation the floor price under eggs should be not less than 60 cents a dozen for grade A large. That is what is wrong with the minister's legislation. The minister says there is a formula, but there is no formula. He says: Oh, we make checks and we go over the statistics. But the minister has not applied to the price of eggs a parity floor based on his own suggested formula of the price-cost relationship that prevailed in 1943-45. Because of the fact that there is not an adequate floor, we find farmers going into and out of the production of eggs periodically, with the result that sometimes there is a high price for eggs and sometimes the price for eggs is extremely low. On perusing the Saskatoon *Star-Phoenix* I noticed that in one morning—I believe it was about two weeks ago—in Saskatoon the price of eggs to the producer dropped 14 cents a dozen; it dropped 6 cents at one stage and 8 cents at another. How can any producer operate with any degree of certainty as to what his return for eggs will be when he finds the price of eggs dropping 14 cents in one morning? I think the floor price for eggs should be raised. I believe that a higher floor price would encourage production, would to a large extent iron out the peak in egg prices, and that as a result there would be a more stable price to the consumer and to the producer.

The hon. member for Selkirk (Mr. Bryce) has, during this session, gone over the serious drop in the price of hogs that has taken place in Canada during the last few months. In the figures he placed on *Hansard* at page 912, he pointed out that at Winnipeg in July hogs were an average of $37.75 a hundredweight—that was for grade A hogs, I believe—and that the price had dropped to $28 in the last week of October. Since the last week of October the price of hogs has taken another drop. On December 3 the price at Winnipeg was $26.50 a hundredweight. In other words, from July until early December the price of hogs to the farmer dropped by 30 per cent. That is not

providing stability for the hog producer. A situation like that is most unsatisfactory. The government has a floor price on hogs of $32.50 a hundredweight for Wiltshire sides.

Mr. Gardiner: May I ask the hon. member a question? Why does he not finish the story? Why does he not give us the price for last week and this week?

An hon. Member: He does not know.

Mr. Argue: The minister can do that, and I doubt very much whether he will find that the price has gone up very much. I have not checked the papers recently.

Mr. Gardiner: The price went up a cent each week.

Mr. Argue: I have not checked the papers for a few days, but when I looked at the last quotation in the Winnipeg *Free Press* in the reading room some two days ago that is exactly what the figures were. If the minister has any later figures that have come from Winnipeg in the last two or three days I will accept them, but I am certain that they are not much higher than the $26.50 I have quoted.

Mr. Gardiner: The price went up a cent last week and another cent this week.

Mr. Argue: That is fine; that puts the price back to where it was in the last week of October, so the 30 per cent drop is now a 25 per cent drop. The price of hogs is going up and down so fast that I cannot keep track of it. Neither can the farmer keep track of it, so finally he throws up his hands and says: "I do not know what I am going to get for my hogs, but I still think I might just as well go out of hog production". There is no encouragement for hog production when the minister and the government have set the floor price so low that the price of hogs can drop to $26.50 a hundredweight; and that is for dressed carcasses, not for Wiltshire sides.

As the hon. member for Selkirk (Mr. Bryce) has said before in the house, the price to the consumer has not changed at all. The fact that the price to the farmers has gone down in the short period of a few months from 25 to 30 per cent no doubt caused the farmers union of Manitoba, as reported in the Ottawa *Citizen* of December 13, to call upon the government for an immediate investigation into the Canadian packing industry with a view to its nationalization. The farmers union of Manitoba is fed up with the packing industry that encourages this type of price fluctuation, and asks the government for an investigation into that industry with a view to nationalization. The Canadian Press dispatch goes on as follows:

> The resolution claimed present prices paid farmers for livestock have "not brought a like downward trend in the price of meat to consumers of whom we are a part."

There was no benefit to the consumer, even though the price to the producer went down 30 per cent. There is no stability for the egg producer. There is no stability for the bacon producer. We can produce more eggs in Canada; we can produce more bacon; we can produce more food of all kinds; and surely at this time when we are engaged in a world-wide struggle with communism, one of the best things we could do to sell our democratic way of life to nations throughout the world would be to provide food supplies to the best of our ability to underdeveloped countries.

I received a very interesting answer, I thought, to a question I placed on the order paper on November 4. The question read as follows:

> What was the quantity and value, in each month, of wheat, other grains, livestock, agricultural machinery, industrial machinery, and any other commodities made available to (a) each country under the Colombo plan, since its inception; (b) any other country, by way of economic assistance, during the past eighteen months.

To me that looked like a pretty complicated question, and I had no doubt the government departments would have to go to a lot of work to dig up all these statistics in detail. Therefore I said nothing in the house as to why the answer to that question was delayed. The question was asked on November 4; the answer came down on December 11, some five or six weeks later. What was the answer? It reads:

> Under the Colombo plan the only definite commitment so far made was to India for wheat to the total value of $10 million.

The answer to that question was known immediately I put the question on the order paper. It was a short answer, and could have been made within forty-eight hours. The answer goes on:

> This leaves $5 million available to India in this fiscal year. The other obligation is to Pakistan to which country $10 million has been allotted this year.

To the other part of the question the answer is:

> Ten million dollars loaned to the government of the United Kingdom under the provisions of the United Kingdom Financial Agreement Act, 1946.

In other words, even though Canada is capable of producing much larger quantities of foodstuffs of all kinds than we are producing at the present time, the government does not give encouragement to our agricultural producers through proper floor price legislation, and does little or nothing in the

way of providing assistance to underdeveloped and backward countries. The government should do what the minister says it is its intention to do, namely provide a formula for floor prices for agricultural products. I accept the minister's suggestion that the formula might be on the same price-cost relationship as prevailed from 1943 to 1945. During that period I do not think farm prices were particularly high. Farm costs were not particularly high, either; so that the 1943-45 relationship might represent a formula on which a floor price could be based. The minister may say: Suppose we get a surplus? Suppose we get a greater quantity of production than we can consume in Canada? I would say that is all to the good. If we could produce more eggs and more bacon than we can consume in Canada, many of the western European nations—and I am thinking particularly of the United Kingdom—would welcome Canadian eggs and Canadian bacon. Foodstuffs of all kinds would be welcomed in the poverty-stricken nations of southeast Asia. One of the best contributions Canada could make to the establishment and the promotion of democracy throughout the world and the maintenance of peace would be to ship larger quantities of food to European countries and countries in southeast Asia, because I feel Canada could and should produce more. If necessary let us give the commodities away. I think that is one of the best things we could do if we really believe in promoting democracy. One of the best ways to increase production is to write into our legislation a formula for the provision of adequate floor prices to our producers. Because I believe such a formula is absolutely necessary I wish to move an amendment to the motion for the second reading of this bill, Mr. Speaker, seconded by the hon. member for Selkirk (Mr. Bryce):

> That Bill No. 18 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for the establishing of floor prices at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1943-1945.

The minister says it is the intention of the government to provide floor prices on that basis. But that is not being done. All I am asking the government to do is to write into our farm legislation a formula which will provide a guaranteed floor price for agricultural producers, based on a parity formula such as I have mentioned.

If that were done, we would get increased production. If we had increased production there would be a lot less likelihood that we would have the very high prices consumers have to pay during certain periods of the year. If we stimulated production to a point greater than consumption in Canada I think we should be all the more pleased, and we should make available that increased agricultural production to the peoples in other nations of the world.

Mr. Victor Quelch (Acadia): Mr. Speaker, we in this group believe that this bill to provide for the establishment of an agricultural products board, together with the Agricultural Prices Support Act, provides the machinery which can—and I use the word "can" advisedly—stabilize the prices of farm products at a fairly satisfactory level. And when I say "a fairly satisfactory level" I mean a level which bears a fair relationship to the prices of other commodities.

For a long time farm organizations have been asking for a formula to be established for the purpose of setting floor prices. When this measure was in the resolution stage the Minister of Agriculture (Mr. Gardiner) did tell the house what kind of formula the government is using at the present time. He stated that under the government formula floor prices would be maintained at such a level that the prices of agricultural products today would bear the same relationship to the price of other commodities that existed in 1943-45.

As the hon. member for Assiniboia (Mr. Argue) has said, the trouble is that that is not written into the Agricultural Prices Support Act. If it were, then I think it would safeguard the farmer against a similar occurrence to that of the thirties, when the prices of farm products fell by over 65 per cent at a time when the prices of other commodities fell to the extent of only 25 per cent.

Have we any assurance that if such a situation developed floor prices would be maintained under the formula outlined by the Minister of Agriculture? If that formula were set out in the Agricultural Prices Support Act we would have that assurance. But in view of the fact that there is no formula in either this measure or the Agricultural Prices Support Act, have we any assurance that if a serious drop in agricultural prices took place, a drop far below the price levels of other commodities, the government would carry out the formula outlined by the Minister of Agriculture? Or would the government then say that it would be too expensive to carry out that formula, and that therefore they would adopt another formula? The only assurance the farmer can have that that formula would be carried out is to place it in the act. Therefore I think the amendment of the hon. member for Assiniboia is good; only, unfortunately, I think it is an amendment to the Agricultural Prices Support Act rather than to the agricultural products board measure.

I know there are many people today who object to this kind of legislation. They say it is an interference with private business. But those very people who make that charge believe in insurance—and this is nothing more or less than a form of insurance. It is insurance against an undue fall in agricultural prices. And, mind you, it is insurance for which the farmers have already paid the premium, and a very heavy premium at that. Do not let anyone forget that in the depression years the farmers were taking prices far below the cost of production. They were told time and again they could not expect to get more than the world price. Yet when prices rose steeply during the war, price ceilings were placed on farm products. The government asked the farmers to take less than they might otherwise receive, and all this was done in the name of stabilization. The government promised that if the farmers accepted those prices, then the government would maintain the prices of agricultural products at a fair level after the war. While taking those lower prices the farmers lost millions upon millions of dollars. That is why I say they have paid their insurance premium for the insurance this measure provides.

Today we are told there is danger of serious starvation and famine conditions in many parts of the world, unless we can maintain production at a high level. We are told that today the increase in production is barely keeping pace with the increase in population. The food and agriculture organization have issued warnings time and again, and have stressed the fact that every nation must do everything in its power to maintain production at a high level. Yet today in Canada we find the farm population is decreasing. The younger people are leaving the farms and going to the cities, because they find that in the cities the wages are higher and the way of living is generally speaking easier. They have many conveniences in the cities that they do not have on the farms. Therefore we are having a great deal of difficulty in keeping the younger people on the farms. Today we find many farms being operated by people well along in years. One may well ask what will happen in the future, unless we can improve conditions on the farm so the young people will be willing to stay there.

If we want to keep food production at the highest level, then I think we must ensure that the increase in production in the future is not used as an excuse to force the prices of agricultural products down, as has been done so many times in the past. That has been the history of agricultural prices. Whenever we have had reserves of food the prices of commodities have gone down. And so the farmers have actually been discouraged from increasing their production because they have realized that if they did so they would be forcing prices down.

This measure, I believe, provides a means whereby the prices of farm products may be maintained. It provides a method whereby in the event of a surplus the government may make purchases, and either dispose of such surplus to foreign nations, or store it, or process it. I believe if the government utilizes this measure as it can be utilized, it could very well safeguard against any serious fall in prices. A surplus would then become a blessing and would be used in a year of scarcity to maintain the standard of living. As I say, the machinery is there. Most people are afraid, however, that the government will not make effective use of it in time of need.

One of the reasons for this fear lies in certain press statements we read. I must admit I was concerned by a statement that appeared in the Ottawa *Citizen* of December 6. This was headed "Government May Continue Food Floors," and it went on to say:

> Agriculture Minister Gardiner wound up a two-day federal-provincial agricultural conference last night with the hint that the government is considering continuation of price support for eggs, butter and bacon in 1952.

Why the hint? That implies definitely that it is possible the government may not continue floors. Surely we should be able to feel confident under this legislation that floors will be continued next year. However, according to this, it is just possible that floors will be continued. No assurance is given. If this legislation means anything every farmer should feel confident that next year and during future years these floors will be in existence. It should not require a statement from the Minister of Agriculture (Mr. Gardiner) that the floors will be continued next year. If the formula outlined by the minister was placed in the Agricultural Prices Support Act all fear or distrust would be wiped out and we would know that this legislation really means what it appears to say.

Mr. Gardiner: Mr. Speaker, I am speaking on the amendment, which has not yet been ruled out of order.

Mr. Knowles: It was not ruled out the last time it was moved.

Mr. Gardiner: It will probably be voted out if it is not ruled out.

Mr. Knowles: No doubt. It was voted down before, with the minister's help.

Mr. Gardiner: The amendment reads:

> That Bill No. 18 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the intro-

duction of legislation providing for the establishing of floor prices at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1943-1945.

As has been pointed out by the hon. member for Acadia (Mr. Quelch), this is not the bill which you would amend if you were going to make that provision. The suggestion was made, both in the debate on second reading and in the debate on the resolution, that we were dealing with floor price legislation. I corrected that statement at the time we were discussing the resolution, and I repeat that this legislation has nothing to do with the matter. I think the hon. member for Assiniboia (Mr. Argue) was out of order most of the time he was speaking on the second reading.

Section 9 (2) of the act which provides for floor prices provides the very thing which is suggested here in as plain language as could be used without setting up a formula as suggested by the hon. member for Assiniboia. This particular legislation does not do what has been suggested by the hon. member.

A moment ago the hon. member suggested that if the Minister of Agriculture wanted another board the house would be prepared to approve it. This bill actually does away with three boards and substitutes one in their place. It is not asking for another board. During the war and the transitional periods we had a board to handle dairy products, a board to handle meat products and a board to handle special products. This will constitute one board to take the place of those three.

Mr. Argue: Is it not true that those three boards went out of existence on March 31 of this year?

Mr. Gardiner: No, but those three boards will go out of existence as a result of what we are doing now. The three boards which were constituted during the war period were kept in existence until recently, and this is just a substitution. This board is being placed in a position to deal with matters that may be referred to it, matters that were previously dealt with by the three boards. It is perfectly true that only one thing has been given to it to deal with up to date, the purchase of butter. That butter is being brought in from outside Canada. They have not dealt in any way with the setting of floor prices.

The statements made by the hon. member for Assiniboia could be refuted, but I would probably be out of order if I attempted to do that, just as he was out of order in discussing what he did under this particular measure. If the amendment which has been moved had been passed in connection with the other act the facts would bear out by what has happened ever since the war down to the present time in relation to farm prices that what the member for Assiniboia contends should happen has happened. I have all the facts here in relation to it, and I can present them to the house. I do not think I would be in order to discuss them in detail now, but if hon. members desire to have the information I am quite prepared to give it when we get into committee.

I have information here which was prepared for the purpose of answering questions which have been asked within the last two or three days, and the statement I have in hand refutes one suggestion that was made with regard to eggs. It has been said by the member for Assiniboia that the price ought to be 60 cents per dozen if we are going to have a price which would bear out the suggestion made with regard to the relationship to earlier prices in 1943, 1944 and 1945. Actually the average price over the last eleven months at Montreal has been 67 cents, or 7 cents better than the hon. member says it ought to be.

One could go through the whole range of commodities and show a similar condition as having existed in connection with prices, but I say again that I do not think I would be in order to do that on the second reading of this bill. I suggest to you that the amendment really is not one which refers to this bill but rather to another act entirely, and as such should be declared out of order.

Mr. Blackmore: Were the prices at Montreal mentioned by the minister the prices to the producer or to the consumer?

Mr. Gardiner: The average wholesale market price for grade A large eggs at Montreal for 1950 was 51·5 cents per dozen and for the first eleven months of 1951 the average price was 67·4 cents per dozen. It was the wholesale price.

Mr. P. E. Wright (Melfort): Mr. Speaker, I would point out to the minister that the amendment is not worded in such a way as to ask for an amendment to this particular bill. It reads:

That Bill No. 18 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for the establishing of floor prices at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1943-45.

That simply sets out the principle we want the government to accept, and which the minister has at times said in this house they were prepared to accept. All this does is

give members of this house, including members of the minister's own party, an opportunity to show that they are behind his placing in the proper legislation at the proper time a floor price which will give this guarantee to the farmers.

In the public accounts committee the other day the Minister of Finance (Mr. Abbott) stated that it was the duty of the government to maintain a suitable market for government bonds. Several years ago in this house, when I asked that there should be a floor of the par value under government bonds, that they should always be negotiable at par, Right Hon. Mr. Ilsley said that he did not believe it would be right to put that provision in the legislation, but no government would allow government bonds to fluctuate unduly. I say that if no government will allow government bonds to fluctuate unduly, then no government should allow the prices of agricultural products, the basic food of our country, to fluctuate unduly. It is just as great a responsibility to see that people are able to eat and that food is produced for them to eat as it is for them to maintain a stable market for government bonds, and in my opinion it is a great deal more important. All we are asking the government to do in this amendment is maintain stable prices for agricultural products so that our farmers will go ahead and produce as they can produce and as they have produced in the past. In 1944 we produced over 600 million pounds of pork products.

Mr. Gardiner: On a question of order, I understood my friend was starting off to speak on a point of order in reply to what I had said before, but if he is going to make a speech, which in my opinion is out of order, then I think we should have a ruling on the question of whether we are in order in discussing another measure on this measure. This bill is before the house, not the other act, and I do not assume that when a measure of this kind is before the house, or any measure is before the house, we have the right to turn aside and discuss some other bill or act which is not related at all to the one under discussion.

Mr. Wright: I am not discussing another act. I am discussing this bill, the purpose of which is to set up an agricultural products board. Surely one of the functions of the board will be to maintain orderly marketing in this country. Otherwise there is no object in setting it up. I am talking about orderly marketing of agricultural products, and I think that is very definitely within the scope of this particular bill. Has the minister anything to say to that?

Mr. Gardiner: I am waiting for Mr. Speaker to give his ruling. I do not think I need to say anything more.

Mr. Knowles: Are you ruling on the discussion or on the amendment, Mr. Speaker?

Mr. Speaker: I have read the amendment. It is submitted no doubt under the provisions of paragraph 657 of Beauchesne, third edition, which reads as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

It seems to me that similar amendments moved in the last few years were allowed to stand. I have not had an opportunity of looking it up yet, but in view of that I would hesitate to rule the amendment out of order at this time without at least looking up the amendment moved previously.

Mr. Knowles: May I confirm your memory, Mr. Speaker, by telling you that on March 27, 1950, a similar amendment was moved by the same member, the hon. member for Assiniboia (Mr. Argue), and it is to be found at page 1157 of *Hansard* for that year. You will find that on the next day, March 28, 1950, after considerable debate the amendment was voted on. It is similar to other amendments of a similar character, the details of which I have, but I will not take the time of the house to give them. That one is the best precedent because the amendment was in words very similar to the amendment which is now before you.

Mr. Gardiner: May I ask whether that was not an amendment to the Agricultural Prices Support Act?

Mr. Knowles: Correct, Mr. Speaker.

Mr. Gardiner: That is the other bill, of course.

Mr. Knowles: The amendment was not to the bill itself but to the motion for second reading of a bill amending the Agricultural Prices Support Act.

Mr. Gardiner: That would be quite in order—

Mr. Knowles: Just a minute. In both cases the amendments suggest that the bill before the house be not now read a second time but in the words of citation 657 which you, Mr. Speaker, read a moment ago, "a resolution

declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill" is placed before the house. I submit that neither on the other occasion nor tonight has the member asked for an amendment of the particular bill. After all, if he were to do that Your Honour would rule it out of order. You would say: Wait until you get into committee and then move the amendment. What is being asked for is other legislation differing from the legislation presented to the house at the present time. Perhaps Your Honour would like to leave the matter over until another time. I can present you with half a dozen such examples in the last three or four years.

Mr. Gardiner: It is almost ten o'clock. I am only going to say one word in conclusion, and then I imagine we can call it ten o'clock and discuss the matter on Monday.

Mr. Wright: I have the floor.

Mr. Gardiner: It is on a point of order.

Mr. Speaker: The minister is speaking on the point of order.

Mr. Gardiner: We are discussing the point of order, and have been for some considerable time.

Mr. Speaker: If it is on the point of order the minister has the right to speak.

Mr. Macdonnell (Greenwood): He always has the right to speak whether or not it is a point of order.

Mr. Gardiner: I think the words which have just been read bear out exactly the argument I was presenting to the house a few moments ago, namely that it would be quite proper to move that kind of amendment on the bill to which it is related, the Agricultural Prices Support Act. If an amendment were going to be made of the nature indicated, that is the act to which it would be made. I can quite understand the ruling being given, when that measure was before the house for amendments that it was proper to move some other amendment to the bill or the act. But here we have a new bill that is not related to that act in any way whatsoever. The purpose of this bill is to set up a board. That has nothing to do with the matter of establishing any formula in connection with prices. The purpose of the amendment moved is to amend some other bill, some other act.

Mr. Wright: No.

Mr. Gardiner: It does not mean anything unless it means that. I do not think it is proper to introduce a full-scale discussion on another bill into the discussion of this particular bill. I submit that, and if you will call it ten o'clock we can continue on Monday.

Mr. Wright: I wish to say a word on the point of order. The minister has just made the statement—

Some hon. Members: Ten o'clock.

Mr. Speaker: Order. I think the hon. member for Melfort (Mr. Wright) has the right to say a word on the point of order.

Mr. Wright: The minister has stated that this bill has no connection with the Agricultural Prices Support Act. What about subsection 5 of section 4? It reads:

> The board may, when so appointed under paragraph (i) of subsection 1 of section 9 of the Agricultural Prices Support Act, 1944, undertake the purchase and the disposition of agricultural products for the purposes of that act.

This bill has a very definite connection with the Agricultural Prices Support Act if it means anything at all.

Mr. Gardiner: It has nothing to do with the sections that deal with the question that is referred to here.

Mr. Wright: I move the adjournment of the debate.

On motion of Mr. Wright the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will take up Bill No. 18, an act to provide for the establishment of an agricultural products board. That is the bill that has been under discussion tonight. Then we will take up Bill No. 36, an act to amend the Combines Investigation Act; Bill No. 15, an act to provide for privileges and immunities in respect of the North Atlantic Treaty Organization.

Mr. Drew: You can stop there.

Mr. Fournier (Hull): Bill No. 23, an act to amend the Government Annuities Act; Bill No. 26, an act to amend the Public Works Act. This is a bill for patient people. I have been thinking over what was said by the opposition and perhaps we may amend it to meet their wishes in part anyway.

An hon. Member: You had better.

Mr. Fournier (Hull): I do not want to lose my good reputation. If time permits we will take up the remaining items on the order paper.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Monday, December 17, 1951

The house met at eleven o'clock.

KURT MEYER

REQUEST FOR STATEMENT AS TO SERVING OF SENTENCE

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, because of the fact that we are obviously approaching the termination of the session, and because it is impossible to raise it in any other way, I propose to raise a matter that I think calls for some statement by the government before we leave. Right across this country a very general feeling of indignation has been expressed in regard to the uncertainty of the future of Kurt Meyer, and I think that before this house leaves we should have a very clear understanding of what is to be done. I think Canadians, without exception, will respect the decisions of our courts, and the decision that may be made in accordance with the ordinary principles of Canadian justice; but there is a strong feeling that there was some connection between the proposal that Kurt Meyer made just before he was arrested, that he be permitted to form a division of S.S. troops to be known as the division Europa, and the course of events which seems to have followed such a strange pattern.

I believe that Kurt Meyer is more than simply another nazi general. He has become a symbol in the minds of Canadians, who have suffered from nazi brutality, of the sort of thing that would raise doubts as to the clarity of our attitude toward conduct of that kind. I think that, at a time when other young men are being called upon to fight for their country, the people of Canada want some reassurance as to exactly what is going to be done in regard to a case that has followed such a strange course up to this time.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it seems to me rather strange that this should be raised as a matter of privilege. I understand that only matters of privilege can be raised at this stage; but since it has been raised, all I can say to the leader of the opposition is to repeat what has been said. Kurt Meyer is still under the exclusive jurisdiction of the Canadian government, and no decision has been made that would justify the anxiety to which the leader of the opposition referred. There has been no change whatever, other than the transfer of this prisoner to a prison camp in Europe, where he remains, except as to the ordinary administration within the prison camp, under the exclusive jurisdiction of the Canadian government.

HOGS

PRICE FLUCTUATIONS—REQUEST FOR INVESTIGATION

Mr. P. E. Wright (Melfort): I wish to raise a matter of privilege. On November 15 I sent across the floor of this house to the Minister of Justice a letter requesting an investigation under chapter 26 of the Revised Statutes of Canada, 1927, with regard to a certain matter under the Combines Investigation Act. The matter had to do with the violent fluctuation in hog prices in this country and the prices at which pork was selling. To date I have had no acknowledgment of the receipt of this letter by the combines investigation commissioner. It is over a month now—the letter was sent across on November 15—and it seems to me that there should be some acknowledgment of this, and some indication as to what action, if any, it is proposed to take.

Hon. Stuart S. Garson (Minister of Justice): The combines commissioner, as I think can be well understood, has been pretty heavily preoccupied during the interval. I will bring this matter to his attention. I feel confident that action has already been taken on it, but he may have neglected to make an acknowledgment to my hon. friend.

REPORTS AND PAPERS

Annual report of the national film board for the year ended March 31, 1951.—Mr. Winters.

PRIVATE AND PUBLIC INVESTMENT IN CANADA

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, on September 8, 1950, I advised the house that the Department of Trade and Commerce was preparing an analysis of Canadian investment experience for the last twenty-five years. To meet repeated requests both inside and outside the house for authentic information on the economic growth and industrial expansion of this country, this study, entitled "Private and Public Investment in Canada, 1926 to 1951", has now been completed, and I am tabling a copy. Other copies can be obtained from the distribution office in a day or two.

Questions

INQUIRY FOR RETURN

GOVERNMENT EMPLOYEES—CIVIL SERVANTS—WEEKLY WORK PERIODS

Hon. Edouard Rinfret (Postmaster General): Mr. Speaker, on Saturday the hon. member for Winnipeg North Centre (Mr. Knowles) asked that the return to an order dealing with the five-day week be tabled before the close of the present session. This order was referred to departments of the government. There are still four departments to furnish replies and I understand that some of the information is to be supplied by agencies of the government outside Ottawa. It is expected the return will be tabled before the close of the present session.

QUESTIONS

CANADIAN NATIONAL RAILWAYS, WINDSOR, ONT.

Mr. Brown (Essex West):

1. When was the Canadian National Railways station at Windsor, Ontario, erected?
2. Have there been any major repairs made on the said building since erection?
3. Has there been any extension made of the said building since erection?
4. If so, how much has been expended on repairs or extension of the said building by years since 1935?
5. How many railroad passengers have entered Windsor, Ontario, by Canadian National Railways from January 1, 1945, to date?
6. How many passengers have left Windsor by Canadian National Railways from January 1, 1945, to date?
7. What has been the passenger revenue of Canadian National Railways at Windsor, since 1940?
8. What has been the revenue for hauling freight and express of Canadian National Railways at Windsor, Ontario, since 1940?
9. Has there been any other revenue obtained by Canadian National Railways since 1940 at Windsor, Ontario? If so, from what source, and how much?

Mr. Benidickson:

The Canadian National Railways advise:

1. 1883.

2. In 1910 some interior alterations were made to the station and in 1926 an improved heating system was installed.

3. No.

4. To answer this question would entail considerable extra work because records of repairs to individual structures are not maintained.

5. There are no records readily available which would disclose the information necessary to answer this question. The number of passengers entering Windsor could only be determined by counting ticket sales which would involve checking the sales of all agencies for the years concerned.

6. See answer to No. 5.

7. Passenger revenue would be determined from the ticket sales and answer to No. 5 explains why this information is not available. In any case, it is not the practice of the company to disclose traffic statistics pertaining to the business transacted at competitive points.

8. See answer to No. 7.

9. The railways' accounts are not maintained in a way which makes it possible to extract this information.

RADIOTELEPHONES—INSTALLATION IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. Have any radiotelephones been installed in any part of the province of Newfoundland since July 1, 1951? If so, in what localities?
2. If not, when will they be ready for installation?

Mr. Benidickson:

The Canadian National Railways advise:

1. No.

2. It is expected that installation of planned radiotelephones will commence on a progressive basis in about four months' time.

CANADIAN NATIONAL RAILWAYS, EDMUNDSTON, N.B.

Mr. Dube:

1. When was the present Canadian National Railways station and freight shed in Edmundston, New Brunswick, built?
2. How many passengers have left Edmundston, New Brunswick, by the Canadian National Railways since January 1, 1935?
3. What has been the freight and express revenue of the Canadian National Railways at Edmundston since 1935?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. The station was built in 1912 with two small extensions; one in 1928 and the other in 1930. The freight shed was also built in 1912 with a 50 ft. extension in 1929.

2. There are no records readily available which would disclose the information necessary to answer this question. The number of passengers leaving Edmundston could only be determined by counting ticket sales which would involve checking the sales of all agencies for the years concerned.

3. There are no records readily available which would disclose the information necessary to answer this question. The freight and express revenue of the Canadian National Railways at Edmundston could only be determined by examining the accounts of all agencies for the years concerned. In any case, it is not the practice of the company to disclose traffic statistics pertaining to the business transacted at competitive points.

GEOLOGICAL AND GEODETIC SURVEYS —AERIAL MAPPING

Mr. Winkler:

1. By years, since 1946, how many men were engaged in summer surveys in geology, by federal government agencies in Canada?
2. By provinces and territories, where were these surveys made?
3. In the same period, what progress was made in (a) aerial mapping by photography; (b) geodetic survey?

Mr. Prudham:

1. Year .. 1946 1947 1948 1949 1950 1951

No. of men 176 194 269 295 350 311

2. 1946, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia.

1947, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Arctic.

1948, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island.

1949, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Queb c, New Brunswick, Nova Scotia, Arctic, Prince Edward Island, Newfoundland.

1950, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Arctic, Prince Edward Island, Newfoundland.

Questions

1951, Yukon Territory, Northwest Territories, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Arctic, Newfoundland.

3. (a) Progress made in aerial mapping by photography; air photographs are used in all mapping now being carried on.

Areas covered by air photography since 1946:

	Square miles vertical	Square miles Trimetrogon
1946	157,000	187,000
1947	140,000	230,000
1948	386,000	414,000
1949	378,000	493,000
1950	375,000	450,000
1951	210,000	101,000
Total	1,646,000	1,875,000

Total mapping since 1946:

	Square miles		
	1 and 2 mile planimetric	1 mile or 1/50,000	4 mile or 1/250,000
1946-47	24,300	8,400	10,000
1947-48	17,000	10,500	28,000
1948-49	25,800	7,700	22,500
1949-50	30,000	16,200	69,000
1950-51	21,000	27,700	135,400
Total	118,100	70,500	264,900

(b) Geodetic survey progress:

	1946	1947	1948	1949	1950	1951
Triangulation (visual)						
Axial length (miles)	330	275	370	290	400	635
No. of stations	37	35	40	37	50	106
Square miles	6,090	4,990	6,650	4,660	6,800	11,230
Shoran (electronic)						
Axial length (miles)	.....	.....	.....	400	700	1,000
No. of stations	.....	.....	.....	8	12	21
Square miles	.....	.....	.....	80,000	140,000	360,000
Lines measured	.....	.....	.....	28	56	65
Precise levelling, miles	1,360	1,065	773	855	757	771
No. of bench marks	387	401	385	419	349	366
Astronomic, precise						
No. of stations	1	2	4	3	15	11
Exploratory, No.	45	44	40	137	74	8
Base lines, No.	1	2	2	1	1	4

NOTE: Triangulation lines range from 20 to 40 miles in length.
Shoran lines range from 30 to 320 miles in length.
Base lines range from 4 to 12 miles in length.

Control of a lower or tertiary grade is involved in the mapping listed under (a).

94699—131½

Questions

MR. W. C. THOMSON

Mr. Hees:

1. What was the total amount of money paid to W. C. Thomson by the Department of Veterans Affairs from January 1, 1945, to date, for (a) services; (b) expenses; (c) disbursements?

2. Of the above payment, how much was paid for abstracts of title, loan application, or other transactions involving assistance to veterans (a) handled by Mr. Thomson; (b) distributed to agents by Mr. Thomson?

Mr. Mutch:

1. (a) $252,760.70; (b) $134.48; (c) $92,722.15.

Note: The above sums include payments between April 1, 1944, and January 1, 1945, it being impossible to separate the payments in this particular period from those for the whole financial year 1944-45 as the vouchers for the year are not available. For the same reason, it is not possible to distinguish between disbursements and expenses for this period but the amounts in question are a small part of the whole.

2. The following are payments for transactions involving assistance to veterans for $248,340.70 of the figure of $252,760.70 shown in answer to No. 1 (a):

(a) Litigations and commissions—handled by Mr. Thomson: No. of cases, 6; amount, $4,437.90. Legal services relating to titles *re* land purchased for veterans—handled by Mr. Thomson: No. of cases, 7,848; amount, $215,517.80.

(b) Legal services relating to titles *re* land purchased for veterans—distributed to agents by Mr. Thomson: No. of cases, 1,622; amount, $28,385.00.

Note: Due to the vouchers for the fiscal year 1944-45 not being available, the balance of $4,420.00 cannot be broken down as between the cases handled by Mr. Thomson and those distributed to agents.

RAILWAY BRIDGE OVER HILLSBOROUGH RIVER, P. E. I.

Mr. McLure:

1. Who owns the condemned railway bridge over the Hillsborough river, Charlottetown to Southport?

2. To whom will the Prince Edward Island government pay rent for using this bridge for vehicular traffic?

Mr. Benidickson:

1. The records of the Department of Transport indicate that the Hillsborough bridge is owned by His Majesty the King in right of Canada.

2. There is no agreement with the government of Prince Edward Island for paying rent for the use of this bridge for vehicular traffic but the provincial government is obligated under an agreement of April 18, 1900, to contribute annually towards the interest on the cost of the construction and maintenance of the bridge the sum of $9,750.

NEW BRUNSWICK—ARMOURIES—DEFENCE CONSTRUCTION

Mr. Brooks:

1. At what places in New Brunswick have recommendations been made for the construction of armouries since 1939?

2. Where have armouries been constructed since the above date in the province of New Brunswick?

3. What construction is now contemplated by the Department of National Defence in the said province?

4. Is there a priority list? If so, state priorities.

Mr. Blanchette:

1. Approved recommendations are announced as soon as practicable and since 1939 comprise armouries at Newcastle, N.B.

2. An armoury is at present under construction at Newcastle. In addition national defence wartime buildings were converted to provide reserve force accommodation at Chatham, Moncton, Saint John and Sussex.

3. Construction authorized:

Navy. (a) Renous—expansion of Royal Canadian Naval magazine.

Army. (b) McGivney—thirty-six permanent married quarters.

Air. (c) Chatham—aerodrome development and construction of building and facilities. (d) Moncton—construction of buildings and facilities.

4. No.

BONAVISTA AND CARBONEAR WHARVES, NEWFOUNDLAND

Mr. Browne (St. John's West):

1. Who is constructing the wharf at (a) Bonavista; (b) Carbonear, Newfoundland?

2. What is the amount involved in each case and what is the manner in which the contractor is to be reimbursed for his services?

3. Were tenders called for the construction of these wharves?

4. If so, what were the amounts of tenders received in each case, and which tender was accepted?

Mr. Fournier (Hull):

1. (a) Bonavista—North Shore Construction Limited, Montreal, P.Q.

(b) Carbonear—Chester Dawe Ltd., St. John's, Nfld.

2. Bonavista—Amount of original contract $184,769.40. An additional amount of $26,008.00 was authorized by order in council P.C. 4981 dated September 21, 1951. The contractor is paid 90 per cent of progress

estimate of work, prepared monthly, and the remaining 10 per cent on completion of contract.

Carbonear—Amount of contract $321,540. The contractor is paid 90 per cent of progress estimate of work, prepared monthly, and the remaining 10 per cent on completion of contract.

3. Yes.

4. Bonavista—

North Shore Construction Ltd.	$184,769.40
Diamond Construction Company Ltd.	232,848.00
Concrete Products (Newfoundland) Ltd.	246,617.30
Carbonear—	
Chester Dawe Ltd.	$321,540.00
North Shore Construction Ltd.	391,590.00
Concrete Products (Newfoundland) Ltd.	412,650.00
McNamara Construction Co., Ltd.	423,125.00

The lowest tender was accepted in each case.

HEALTH GRANTS—ONTARIO HOSPITAL SCHOOL, SMITHS FALLS

Mr. Fulford:

Has any financial assistance been given under the health grants program to the Ontario hospital school at Smiths Falls?

Mr. McCusker: Yes, a grant of approximately $217,240 has recently been made toward the cost of operating this school to March 31, 1952.

ARMED FORCES DEPENDENTS—ALLOWANCES

Mr. Harkness:

1. Have the increases in allowances put through at the last session of parliament, for the children of men killed overseas, been paid if the mother of the child, or children, has since remarried?

2. If not, what is the reason and the authority for not making the payment?

3. How many children are affected, and what is the saving to the taxpayer if payment is not made?

4. What is the number of widows with children who have remarried, and what is the saving to the taxpayer due to their remarriage?

Mr. Mutch:

1. All such cases of remarriage are being reviewed. Where need is established, the award for the child or children is increased above the ordinary rate.

2. The act was amended in June, 1951, and in Bill No. 288, an act to amend the Pension Act, the following explanatory note appears:

The purpose of this amendment is to make more adequate provision for the children of pensioned widows and to increase their awards to correspond to orphan rates which are double the ordinary rates for children.

A remarried widow is no longer a pensioned widow.

3. Approximately 3,500; impossible to state as review is still underway.

4. Approximately 3,200. A pensioned widow receives a bonus of twelve months' pension on remarriage. It is impossible to estimate the saving as the Canadian pension commission cannot determine the life expectancy of the widows.

TELEGRAM RATES

Mr. Pouliot:

What is the actual rate for (a) full rate telegrams; (b) day letters; (c) night messages; (d) night letters, between each one of the provinces compared to the previous rates?

An hon. Member: Dropped.

Mr. Fournier (Hull): If the hon. member for Temiscouata (Mr. Pouliot) is not here, I suggest that it be allowed to stand.

Mr. Speaker: The hon. member is not here. It will stand.

NORTHWEST ATLANTIC FISHERIES CONVENTION

Mr. Smith (Queens-Shelburne):

1. With respect to the northwest Atlantic fisheries convention relating to the regulation and conservation of the deep-sea fisheries, which countries (a) have ratified the convention; (b) have not yet done so?

2. What steps have been taken by Canada and other countries to implement the terms of the convention?

3. What studies will be made of the possibility of wasteful fishing on the continental shelf?

Mr. MacNaught:

1. (a) Canada, Denmark, Iceland, United Kingdom, United States. (b) France, Italy, Norway, Portugal, Spain.

2. As required by article II of the convention the international commission for the northwest Atlantic fisheries has been established. It held its first meeting at Washington, D.C., in April, 1951. The next meeting of the commission is scheduled for June, 1952, at St. Andrews, N.B. Meetings of the scientists have been held and meetings of the panels or working committees of the commission are being held. It can be said the terms of the convention are now being implemented and made operative, investigations being made by the scientific personnel for submission to the international commission.

3. Studies are being conducted by the scientific group of the countries concerned. Reports will be made to the panels or working committees and subsequently to the commission for recommendation for action by the contracting governments. The investigations will include methods of fishing and the

efficiency of the existing types of gear with a view to recommending to the contracting governments the avoidance of any wasteful fishing on the grand banks.

GRAIN—SALES, STORAGE, ETC.

Mr. Wright:

1. What was the amount of each grade and kind of grain purchased by each licensed elevator company operating as agents of the Canadian wheat board at country elevator points in the crop year 1950-51?

2. What was the amount of tough or damp grain in each such grade purchased?

3. (a) What was the date of the cut-off of the 1949-50 crop year; (b) what was the amount of the different grades of grain in storage (including damp and tough grain) at the date of the cut-off of the 1949-50 crop year?

4. (a) What was the amount of each grade and kind of grain sold by each of these companies as designated by their certificates final in the crop year 1950-51; (b) what was the amount of each grade and kind of grain retained in storage as covered by inspectors certificate at time of weigh-over for the 1950-51 crop year?

Mr. Howe: Mr. Speaker, I wish to call to the attention of the hon. member the difficulty of answering this question, on account of the tremendous amount of information asked for. To answer the questions would practically mean the tabling of the books of the Canadian wheat board.

The hon. member asked for the amount of each grade, and I would point out to him there are 339 grades. I do not know how many country elevators there are, but there are at least 50,000. Then, he wants a separate report on each grade handled by each of the country elevators, and he asks for other information it would be very difficult to furnish. It would take months to prepare such a return; and then after the information was furnished the hon. member would need to retain a firm of chartered accountants and have them work two or three months to analyse the return. The wheat board has its own auditors; and I suggest the proper way to get the information is to call the board before the committee on agriculture and ask the board for such answers as the hon. member wants. I have no desire to withhold this information; but there is such a staggering amount of information asked, it is difficult to contemplate the answering of it.

Mr. Wright: That is exactly the point. If the minister will undertake to have the board before the committee on agriculture at the next session, then I certainly will drop the question. However, this is a matter of vital interest to the farm organizations of western Canada. They do want the information.

Mr. Speaker: Question No. 23 on the order paper, dropped.

[Mr. MacNaught.]

ARMED FORCES—OFFICERS OF FRENCH ORIGIN

Mr. Gauthier (Portneuf):

What were the ranks of the officers of French origin who were in the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force active forces and what are their present ranks?

Mr. Blanchette:

Royal Canadian Navy

Rank in 1939	Rank in 1951
Midshipman	Lieutenant-commander
Midshipman	Lieutenant-commander

Canadian Army

Captain	Colonel
Captain	Major
Captain	Lieutenant-colonel
Lieutenant	Major-general
Lieutenant	Colonel
Lieutenant	Colonel
Lieutenant	Lieutenant-colonel
Lieutenant	Lieutenant-colonel
Lieutenant	Lieutenant-colonel
Lieutenant	Major
Lieutenant	Lieutenant-colonel
Lieutenant	Lieutenant-colonel
Lieutenant	Major
Lieutenant	Major
Lieutenant	Lieutenant-colonel
Lieutenant	Lieutenant-colonel
Lieutenant (bandmaster)	Captain

Royal Canadian Air Force

Flight lieutenant	Wing commander
Flying officer	Group captain
Flying officer	Wing commander
Pilot officer	Wing commander
Pilot officer	Wing commander

QUESTIONS PASSED AS ORDERS FOR RETURNS

SHIP CONSTRUCTION COMMENCED 1950, 1951

Mr. Nowlan:

On how many ships or vessels, other than those for the Department of National Defence has construction been commenced in Canadian shipyards during (a) the calendar year 1950; (b) each month during the year 1951?

INDIANS—MONTHLY RATIONS

Mr. Fulton:

1. What is the scale of monthly rations for Indians on relief as issued by the Indian affairs branch to merchants in Canada, for families or groups of one to six adults respectively, and for the following commodities: flour, rolled oats, baking powder, tea, sugar, lard, beans, rice, cheese, meat or fish, salt, matches?

2. What grade of flour is specified?

3. What are the particulars of any other commodities and quantities which go into this ration scale?

Mr. Harris (Grey-Bruce): Return tabled.

MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS AND IMPERIAL OIL—DEVELOPMENT OF MINERAL OR OIL RESOURCES

Mr. Wright:

For a copy of any agreement or agreements made between the Canadian National Railways and Imperial Oil Company Limited in regard to the exploration and the development of mineral or oil resources on the said companies' lands.

Mr. Chevrier: Mr. Speaker, there is objection to this notice of motion, because it offends against the principle of giving information of one of the railway companies to a private competitor. This matter was threshed out at some length in the committee on railways and shipping on March 30, 1950, when the very information sought here was requested by an hon. member, and objected to by the president of the Canadian National Railways. He took the stand then that it was not in the interests of the railways to give this information, and the committee upheld him. For those reasons, Mr. Speaker, I would object to the information being given.

Mr. Fulton: I do not wish to have it dropped. but—

Mr. Speaker: The motion is not debatable, but I will hear the hon. member briefly.

Mr. Fulton: I was about to say, by way of a question of privilege, that the minister did refer to a question in committee last year. I was the member who requested that information. May I point out that I do not think the precedent set in committee covers this house at all. What was requested in committee by me was general information as to the price being paid to the Canadian National Railways for the sale of its oil lands or leases. I did not request the information in the terms of this motion, and I think that should be made clear on the record.

Mr. Chevrier: If this motion were to pass, the information for which the hon. member asked in committee would be obtained through the production of these agreements. I am objecting to that.

Mr. Speaker: Is the hon. member for Melfort (Mr. Wright) prepared to drop the motion?

Mr. Wright: I think this information should be available. These are crown lands. I am not prepared to drop the motion.

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

Some hon. Members: Nay.

Some hon. Members: Yea.

Mr. Speaker: Shall I declare the motion dropped?

Mr. Wright: No, no. The yeas and nays should be called.

Mr. Speaker: Does the house wish me to ask for the yeas and nays? Those in favour of the motion will say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against the motion will say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

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

YEAS

Messrs:

Adamson
Argue
Balcer
Blair
Brooks
Bryce
Casselman
Catherwood
Charlton
Churchill
Coldwell
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Fleming
Fulton
Graydon
Green
Harkness
Hees
Herridge
Hodgson
Jones
Knowles
Lennard
MacLean (Queens)
McGregor
McLure
Meeker
Murphy
Noseworthy
Nowlan
Quelch
Tustin
White (Middlesex East)
Wright—39.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Bater
Beaudry
Benidickson
Blackmore
Blanchette
Blue
Boisvert
Boivin
Boucher
Breithaupt
Brown (Essex West)
Bruneau
Cameron
Carter
Chevrier
Clark
Claxton
Cleaver
Corry
Croll
Darroch
Dechene
Decore
Dewar
Dickey
Dion
Eyre
Ferrie
Fournier (Hull)
Fulford
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gregg
Hansell
Harris (Grey-Bruce)
Hellyer
Helme
Henry
Hosking
Howe
Huffman
James
Jutras
Kickham
Kirk (Digby-Yarmouth)

LaCroix	Pearson
Lafontaine	Prudham
Laing	Riley
Langlois (Gaspe)	Rinfret
Lesage	Robinson
Little	Rooney
Low	Ross (Hamilton East)
Macdonald (Edmonton East)	St. Laurent
	Sinclair
MacKenzie	Stuart (Charlotte)
MacNaught	Studer
Macnaughton	Tremblay
McCann	Viau
McCubbin	Ward
McCusker	Weir
McIlraith	Welbourn
McLean (Huron-Perth)	Whiteside
Masse	Whitman
Mayhew	Winkler
Mutch	Winters
Nixon	Wood—97.

PROPERTY FOR POSTAL TERMINAL, LONDON, ONT.

Mr. White (Middlesex East):

For a copy of all correspondence exchanged between the Department of Public Works and/or the Post Office Department and the International Harvester Company of Canada regarding the proposal to purchase from the International Harvester Company property situated at the southeast corner of York and Clarence streets, London, Ontario, for a postal terminal on the Canadian National Railways; also a copy of all correspondence exchanged between the Department of Public Works and/or the Post Office Department and D. H. Howden Company regarding the purchase of the above named property.

Mr. Fournier (Hull): May I ask the hon. member if he will allow this motion to stand. I understand that this is the subject of expropriation proceedings before the exchequer court. I have not had time during the last few days to get in touch with the officials. Hon. gentlemen know that I have been in the house, and I have not done any office work in the last few days.

Mr. Speaker: Stand.

NATIONAL FILM BOARD

REQUEST FOR REFERENCE OF ANNUAL REPORT TO SPECIAL COMMITTEE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Prime Minister. In view of the fact that the report of the film board has been presented this morning, will the government consider setting up a committee, similar to the one which examined the affairs of the broadcasting corporation, to look into matters concerning the film board? I am not doing this in a critical sense, but I think the board should have an opportunity of explaining its work to members and members should have an opportunity of knowing what the film board is doing.

Right Hon. L. S. St. Laurent (Prime Minister): The government will be glad to consider the suggestion made by the hon. member for Rosetown-Biggar. I assume he means that the establishment of such a committee should be recommended at the next session.

Mr. Coldwell: That is right.

Mr. St. Laurent: The matter will be given consideration between now and the next session.

GREECE

STARVATION CONDITIONS—INQUIRY AS TO ASSISTANCE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct a question to the Secretary of State for External Affairs. I have sent notice which I hope he has received. Has the government been advised of starvation conditions in Greece, and has it been asked for aid? What steps are being taken, by either national or international means, to help this brave people who have suffered so much in the cause of freedom?

Hon. L. B. Pearson (Secretary of State for External Affairs): I received notice of the hon. gentleman's question just as I was coming into the house, so I am afraid I may not be able to give him as detailed an answer as I would otherwise have desired to do. It is true that through our embassy in Athens we have been made aware of the very difficult and distressing conditions among the people in the northern area of Greece. To my knowledge, however, we have not received from the Greek government any request for assistance. The matter is nevertheless being looked into on the basis of the reports we have received from our embassy. It is also true of course that a great deal of assistance of an international kind has been given to Greece in recent years. This, among other things, is a recognition by those who have given assistance, including Canada, of the great services the Greek people have rendered to the free world during and after the war. Having said that, however, I should add that the resources of Canada for international assistance are not unlimited.

CRIMINAL CODE

COMMISSION ON AMENDMENTS—INQUIRY AS TO TABLING AND CIRCULATION OF REPORT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Justice. I should like to know whether or not the report of the commission on the momentous

amendments to the Criminal Code is available yet. If not, and if it is brought down during the recess, would the minister send copies to the members of the house, particularly to the lawyer members, so that the opinions of local bar associations can be secured regarding the provisions of the suggested amendments? I think it would be most helpful to have the benefit of the opinions of the bar associations on a matter so important as extensive amendments to the Criminal Code that take place only once every sixty years.

Hon. Stuart S. Garson (Minister of Justice): I am sure my hon. friend will realize that a report of this nature must necessarily involve some questions of government policy. Therefore, while we would be anxious to get the widest distribution possible of the report amongst members as soon as possible, I cannot very well take any steps in that regard until I have discussed it with my colleagues in the cabinet. As I indicated a few days ago, when I think it was my hon. friend who asked the question, not only have we not received the report but we do not expect to receive it for some little time yet. I can assure him it will be promptly taken up with the cabinet and that our action from that point on will be governed by the decision reached therein.

CAPITAL COST ALLOWANCES

DEFERMENT—INQUIRY AS TO CUT-BACK IN CAPITAL EXPENDITURE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I have a question I wish to put to the Minister of Trade and Commerce of which I have sent notice. Can the minister before the end of the session inform the house statistically how much cut-back he estimates there has been in capital expenditure since the announcement of deferred capital cost allowance? How much of this cut-back was due to (a) credit restriction; (b) curbs on instalment buying; (c) deferred capital cost allowance—

Some hon. Members: Order.

Mr. Macdonnell (Greenwood): —and, Mr. Speaker, (d) any other cause.

Mr. Speaker: Order. The question might be a proper one to appear on the order paper but as we are getting near the end of the session I think probably it can be put now.

Mr. Macdonnell (Greenwood): Thank you, Mr. Speaker.

Right Hon. C. D. Howe (Minister of Trade and Commerce): This question covers a good deal of territory. It asks the government to read the minds of people who do not go ahead with their capital expenditures. I do not know that we can do that.

Mr. Macdonnell (Greenwood): It is not an easy question but I have great confidence in the minister!

Mr. Howe: However, I will be glad to turn it over to our statisticians and attempt to answer it as best we can, without guaranteeing the accuracy of the reply.

IRRIGATION

SOUTH SASKATCHEWAN RIVER PROJECT—REQUEST FOR REPORT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask the Prime Minister if there is any likelihood of our receiving the report of the commission investigating the South Saskatchewan river project before the end of the session?

Right Hon. L. S. St. Laurent (Prime Minister): No, there is not. I am told it may be February or March before they will have completed their studies.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO PROVISION OF PREFABRICATED METAL HUTS FOR PERSONNEL IN GREAT BRITAIN

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of National Defence concerning a matter which has just come to my attention, but I presume he can answer without notice. Is it correct that prefabricated metal huts are being sent to Great Britain to house R.C.A.F. personnel over there?

Hon. Brooke Claxton (Minister of National Defence): We are purchasing a number of prefabricated huts in Great Britain for use as storage depots for the R.C.A.F. but not for married quarters. The situation with respect to married quarters is that at the R.A.F. station at North Luffenham there are ninety-two permanent married quarters. The R.A.F. has been most co-operative in making them available. So far we have got possession of all except fifteen. When the wing moved to the other side transportation was provided for the wives and children of ninety-two officers and airmen. The others were warned that there would be no accommodation for them, and I am afraid that situation will continue. As hon. members know, there is a severe housing shortage in the United Kingdom. The station is located in an agricultural district, and there will be no accommodation for any considerable number of married personnel.

Agricultural Products Board

AGRICULTURAL PRODUCTS BOARD

TO PRESCRIBE THE CONSTITUTION AND POWERS OF THE BOARD, AND TO PROVIDE FOR NECESSARY EXPENDITURES

The house resumed, from Saturday, December 15, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 18, to provide for the establishment of an agricultural products board.

Mr. P. E. Wright (Melfort): Mr. Speaker, when the house rose on Saturday we were discussing a point of order. I should like to make a submission with respect thereto before you rule whether or not the amendment of the hon. member for Assiniboia (Mr. Argue) is in order. The operative section of the bill is section 4. Subsection 1 (a) reads as follows:

> . . . the board may, with the authority of the governor in council and under the direction of the minister (a) sell or deliver agricultural products to the government of any country . . . and for these purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary . . .

Subsection 1 (c) provides that the board may "buy, sell, or import agricultural products". Subsection 3 reads as follows:

> Except with the approval of the governor in council, the board shall not sell an agricultural product pursuant to paragraph (a) or (c) of subsection 1 at a price lower than the purchase price thereof plus handling, storage and transportation costs.

It sets a floor under which the board may not sell these particular agricultural products. Subsection 5 reads as follows:

> (5) The board may, when so appointed under paragraph (i) of subsection one of section nine of the Agricultural Prices Support Act, 1944, undertake the purchase and the disposition of agricultural products for the purposes of that act.

All that the amendment of the hon. member for Assiniboia (Mr. Argue) does is to place in this section of the act a floor similar to that which subsection 3 places under sales made under (a) and (c) of subsection 1. I would therefore argue that the amendment is in order.

Mr. Victor Quelch (Acadia): Mr. Speaker, I think the amendment should be considered to be in order because this act is definitely governed by the Agricultural Prices Support Act.

Some hon. Members: Louder.

Mr. Speaker: Order.

Mr. Quelch: I was saying that I think the amendment should be considered to be in order because this act is definitely governed by the Agricultural Prices Support Act. The

point was referred to by the hon. member for Melfort (Mr. Wright). Subsection 5 of section 4 of the bill reads as follows:

> The board may, when so appointed under paragraph (i) of subsection one of section nine of the Agricultural Prices Support Act, 1944, undertake the purchase and the disposition of agricultural products for the purposes of that act.

The point is this. At what price will these goods be bought? We want a formula to be inserted in section 9 of the Agricultural Prices Support Act which will definitely state that the same price relationship will be maintained today as existed from 1943-45. If that is not done, in supporting this act we are really buying a pig in a poke. We do not know what the price will be. Therefore I presume that if this amendment carried, the government would then give consideration to placing a formula in section 9 of the Agricultural Prices Support Act. It is all very well for the Minister of Agriculture to say that by regulation they have established a formula; but that regulation may be changed overnight. On the other hand, if we have legislation outlining the formula, we will then know at least that that formula will exist until such time as parliament may decide to rescind it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might say a further word on the point of order. From what Your Honour said the other evening when the point was first raised by the Minister of Agriculture (Mr. Gardiner), I take it that at that time you felt that you would hesitate to rule the amendment out of order. Nevertheless the Minister of Agriculture later sought to make a point; and lest you be giving any consideration to the minister's point I think we should have it perfectly clear.

The Minister of Agriculture sought to make the point that the last time this type of amendment was proposed was to the motion for the second reading of a bill amending the Agricultural Prices Support Act. The inference in that comment would naturally be that this amendment is relevant to the other bill but not to this one. As both the hon. member for Melfort (Mr. Wright) and the hon. member for Acadia (Mr. Quelch) have pointed out, the question of what prices products will be bought at by this board is distinctly and definitely relevant to the bill which is now before us. Surely that is obvious. As a matter of fact, as I read the two acts under consideration, Mr. Speaker, it seems to me that it is more under this bill than under the other one that the principle of giving support to farm prices is carried out. If we are going to know whether this bill is worth anything, we should know

whether there is going to be a floor under the prices that the government will pay for agricultural products.

It seems to me that the proposal of my colleague, the hon. member for Assiniboia, is every bit as relevant to this bill as it was to the other one. In fact, I am inclined to the view that it is even more relevant to this bill because this is the one that sets up the board that does the actual purchasing. Therefore, on the ground of relevancy, it seems to me that the amendment is in order. Further, I would say, as Your Honour indicated in the remarks you made when the point was first raised Saturday night, the amendment is also in order in that it comes within the provision of paragraph 657 of Beauchesne's third edition.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, in reply to what has just been said, I would point out that subsection (i) of section 9 of the Agricultural Prices Support Act reads as follows:

(i) to appoint commodity boards or other agents to undertake the purchase and the disposition of agricultural products;

All this reference to it in this act does is to say that if the government agreed that the agricultural prices support board should purchase some commodity under this board, then that may be done. It is just possible that under paragraph (i) no commodities whatsoever would be referred for purchase to this board under the Agricultural Prices Support Act. The question which is relevant to the whole discussion is the one that was raised by the hon. member for Brant-Wentworth (Mr. Charlton) at the beginning of this discussion on second reading, when he wanted to know definitely from the minister whether this board interfered with the activities of boards appointed by the provinces under their legislation. Of course it does not interfere in any way with them. As a matter of fact, I would go on to say that the government has promoted those organizations through discussions with the provinces and otherwise, and has no desire to interfere with them in any way whatsoever.

All that the Agricultural Prices Support Act says is that any agency may be appointed by the board in order to do what it is determined should be done. What my hon. friends are suggesting is that in this act we ought to determine what the agricultural prices board is going to do. That of course is not a matter which could be dealt with in this act. I might suggest, Mr. Speaker, that if you are going to rule that we could go so far afield in this house, on the question of relevancy, as to amend or to propose the amendment of another act, then there is not any limit that could be put on this discussion at all. The point at which the question of order should have been raised was when the question of action taken under the Agricultural Prices Support Act was first brought into the discussion. If reference is made to the discussions during the consideration of the resolution, I submit that it will be found that that question was raised.

It is obvious that, when one piece of legislation is introduced into this house, it is not the proper thing to do to suggest an amendment to another piece of the legislation which is already on the statute books. The time to amend that legislation is when it is before the house. An attempt was made to do that in the session of 1950, as has been pointed out, and this house voted the resolution down at that time. Now an attempt is being made to have the same amendment to that act discussed under this bill. That of course would be improper. There would be no limitation at all on our discussions in this house, on the question of relevancy, if that procedure were permitted.

Mr. J. G. Diefenbaker (Lake Centre): In answer to the right hon. gentleman, Mr. Speaker, I would point out that one of the powers under section 4, subsection 1(c), is to "buy, sell, or import agricultural products." The amendment provides that in making those purchases provision should be made for the establishment of floor prices at such levels as to guarantee to producers a price-cost relation not less favourable than that prevailing in the period 1943-1945. There can be no amendment more relevant than the one in question which, while it provides that parliament sets up the board, also assures the protection of the producer in that the prices the board shall pay shall bear the relationship set out in the amendment. On the grounds of relevance and applicability I submit that the amendment is in order. Surely we are not attempting to set up a board and to give it the power to do anything, to buy at whatever price at which it desires to buy regardless of the wish of the producers, with absolute powers being given to the board. As I see it, the amendment gives the direction of parliament to the prices that shall be paid by the board.

Mr. Speaker: I thank hon. members for going into this matter so carefully. I might say that when the amendment was proposed on Saturday night I did say, as the member for Winnipeg North Centre (Mr. Knowles) has stated, that I would hesitate to rule the amendment out of order at this time without at least looking up the amendment moved previously. At that time I was not aware that the amendment that had been moved

previously referred to another bill. I should have grasped that fact probably, but I did not.

I might say that since Saturday night I have given considerable thought to this question. In fact, the amendment was moved late Saturday night and the result has been that I, the Clerk, the Clerk Assistant and the *Journals* branch worked not only late Saturday night but also on Sunday. None of us like to work on Sunday, and it is even less palatable when the house is working six days a week. However, I considered the question a very important one, and I have gone into the matter carefully. I have listened attentively to what has been said this morning. I do not think the merits of an amendment, that is with respect to whether or not it is in order, have ever been put more clearly to the house. As I say, I considered it a very important question, and I crave the indulgence of the house while I give my ruling. So there will not be any anticipation, I might say that I do not hold the amendment can be put to the house at this time.

As I said, I have had an opportunity over the week end to give consideration to the matter which was in issue at ten o'clock Saturday night. Hon. members will recall that on the motion for second reading of a bill to provide for the establishment of an agricultural products board, there was moved an amendment by the hon. member for Assiniboia (Mr. Argue):

> That Bill No. 18 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for the establishing of floor prices at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1943-45.

The Minister of Agriculture (Mr. Gardiner) raised the point of order that, while such a motion would be appropriate as an amendment to the Agricultural Prices Support Act, 1944, it was not related in any way to the present measure. The hon. member for Acadia (Mr. Quelch) had earlier expressed the same view when he said:

> Therefore I think the amendment of the hon. member for Assiniboia is good; only unfortunately I think it is an amendment to the Agricultural Prices Support Act rather than to the agricultural products board measure.

The hon. member for Winnipeg North Centre reminded me that I had allowed an amendment similar to the one before the house in March 1950, on the motion for the second reading of a bill to amend the Agricultural Prices Support Act, 1944. He added that in any event, under citation 657 of Beauchesne's Parliamentary Rules and Forms, third edition:

> It is competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill . . .

The hon. member for Melfort (Mr. Wright) and several other members pointed out that there was a definite connection between the two acts in question by virtue of subclause 5 of clause 4 of the present bill, which reads as follows:

> The board may when so appointed under paragraph (i) of subsection one of section nine of the Agricultural Prices Support Act, 1944, undertake the purchase and disposition of agricultural products for the purposes of that act.

It should, I think, be made clear at the outset that citation 657 of Beauchesne's third edition must be read together with citation 354 in the same edition, which reads as follows:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

On November 15, 1949, I ruled that an amendment to the motion for the second reading of a bill, though in proper form under citation 657, is not in order if it does not satisfy the requirement of relevancy as set forth in citation 354. (See also Canadian Commons *Journals,* 1948, page 387.)

The present amendment satisfies the language of citation 657, and is thus in proper form under that citation, as has been maintained by the hon. member for Winnipeg North Centre. We must, however, go further and consider whether the present amendment also satisfies the requirement of relevancy. An amendment similar to this was allowed to stand on March 28, 1950, on the second reading of a bill to amend the Agricultural Prices Support Act, 1944. That precedent is authority for the proposition that such an amendment is relevant to that act, but is silent on the question whether it is relevant to the measure now before the house. It is to this question that I must now address myself.

The principle of the proposed amendment lies in the establishment of general floor prices for agricultural products. The question, therefore, is whether that principle, though it differs from the principle of the present bill, is relevant thereto. I have carefully examined each of the clauses of the present bill, and I cannot see where any of them contemplate anything in the nature of the establishment of general floor prices for agricultural products. The functions of the board include the purchase and disposition of agricultural products, but not the establishment of floor prices for such products. Subclause 5 of clause 4 of the present bill does, as indicated by the hon.

member for Melfort, create a certain relationship between the two acts, but the effect of the subclause is, as I see it, that when appointed under the Agricultural Prices Support Act, 1944, the agricultural products board may purchase and dispose of agricultural products for the purposes of the first mentioned act: it does not authorize the board to institute floor prices.

I have in the past allowed amendments of this character to be moved in respect of the Agricultural Prices Support Act, 1944. However, the present amendment, though in proper form under citation 657 of Beauchesne's Parliamentary Rules and Forms, third edition, is, in my view, foreign to the present bill and so does not satisfy the requirement of relevancy set forth in citation 354 of the same edition. Accordingly, I declare the proposed amendment out of order.

Mr. Argue: With the greatest respect, but because I feel the amendment is relevant to the bill, I must appeal your decision.

Mr. Speaker: All those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

On the motion for second reading of Bill No. 18, to provide for the establishment of an agricultural products board, Mr. Argue moved in amendment:

That Bill No. 18 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for the establishing of floor prices at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1943-45.

I ruled the amendment out of order on the ground that though in proper form, under citation 657 of Beauchesne's third edition, it was not relevant to the present measure. From this ruling the hon. member for Assiniboia (Mr. Argue) and others have appealed.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson	Balcom
Applewhaite	Bater
Arsenault	Beaudry
Ashbourne	Benidickson
Blanchette	Laing
Blue	Langlois (Gaspe)
Boisvert	Lapointe
Boivin	Lesage
Boucher	Little
Breithaupt	Macdonald (Edmonton East)
Brown (Essex West)	MacKenzie
Bruneau	MacLean (Cape Breton North and Victoria)
Cameron	MacNaught
Chevrier	Macnaughton
Clark	McCann
Claxton	McCubbin
Cleaver	McCusker
Corry	McDonald (Parry Sound-Muskoka)
Croll	McIlraith
Darroch	McLean (Huron-Perth)
Dechene	McWilliam
Decore	Masse
Dewar	Mayhew
Dickey	Mutch
Dion	Nixon
Dumas	Pearson
Eyre	Prudham
Ferrie	Richard (Ottawa East)
Fournier (Hull)	Riley
Garland	Rinfret
Garson	Robinson
Gauthier (Lake St. John)	Rooney
Gauthier (Portneuf)	Ross (Hamilton East)
Gauthier (Sudbury)	St. Laurent
George	Sinclair
Gibson	Stuart (Charlotte)
Gregg	Studer
Harris (Grey-Bruce)	Tremblay
Hellyer	Viau
Helme	Ward
Henry	Weir
Hosking	Welbourn
Howe	Whiteside
Huffman	Whitman
James	Winkler
Jutras	Winters
Kickham	Wood—97.
Kirk (Digby-Yarmouth)	
LaCroix	
Lafontaine	

NAYS

Messrs:

Adamson	Hansell
Argue	Harkness
Balcer	Hees
Blackmore	Herridge
Blair	Hodgson
Bryce	Jones
Casselman	Knowles
Catherwood	Lennard
Charlton	Low
Churchill	MacLean (Queens)
Coldwell	McGregor
Coyle	McLure
Diefenbaker	Meeker
Dinsdale	Murphy
Drew	Noseworthy
Fair	Quelch
Fairclough, Mrs.	Tustin
Fleming	White (Middlesex East)
Graydon	Wright—38.

Mr. Gardiner: I was paired with the hon. member for Souris (Mr. Ross). Had I voted, I should have voted to sustain the Speaker's ruling.

Mr. Cardiff: I was paired. Mr. Speaker, had I voted, I would have voted against your ruling in this case.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Mr. Speaker, had I voted, I would have voted against your ruling.

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

Mr. P. E. Wright (Melfort): Mr. Speaker, when the house rose on Saturday night I was speaking on the amendment. I wish to continue the remarks I was making at that time, although they will have to be changed somewhat, owing to the fact that you have ruled the amendment out of order.

I was pointing out at that time that ministers of the crown, including the Minister of Finance (Mr. Abbott) and a former minister of finance, had stated that they believed it was necessary for any government to lend support to the price of government bonds and government securities. I was arguing that if the government found it necessary to support the price of its own securities, then there was even greater reason why it should maintain fair prices for agricultural products. I argued that food was just as important as government securities. One cannot wear or eat securities; but to live he must avail himself of the products of the farm. And those farm products are, in our economy, the one group of products which in my opinion govern the prosperity of a great many other sections of our country.

Any time there is a violent fluctuation in the prices of agricultural products, one finds unemployment, with a falling off of production of not only agricultural products but many other lines of goods.

The board to be set up under this measure is one means the government may use to prevent these fluctuations, if such board is used by the government for that purpose. I agree with the principle of the setting up of the board. But I am quite certain, from the actions of the Minister of Agriculture (Mr. Gardiner) in connection with our amendment, that he does not intend to use this board for the purpose of maintaining fair prices for agricultural products in this country.

One of the results of this will be that, while our economy may not plunge, it may gradually slide into a condition of insecurity. To bear out what I say I should like to place on record certain figures showing what has taken place in the United States, and to indicate what has happened there.

Mr. Gardiner: Mr. Speaker, I rise to a point of order. The decision has just been given that the matters now being discussed by the hon. member for Melfort do not refer to this measure at all, but refer to other measures. I suggest the hon. member for Melfort has no right to follow that line of discussion, and that if he persists he will be out of order in so doing.

Mr. Deputy Speaker: I must ask the hon. member to confine his remarks to the principle of the bill before us.

Mr. Wright: Yes. The principle of the bill is to set up a board which, under section 4 (1) (c), is to buy, sell or import agricultural products. How any board can buy, sell or import agricultural products without paying attention to prices is beyond me. I cannot understand why the Minister of Agriculture insists that this board shall not have anything to do with prices. I do not know what use it would be if it did not deal with prices.

Mr. Gardiner: To answer the question—

Mr. Wright: I did not ask a question. The minister can answer when he makes his speech.

Mr. Gardiner: On the point of order raised—

Mr. Knowles: No point of order was raised.

Mr. Gardiner: Before my first interruption the hon. member did say, "If the minister said that this bill has nothing to do with the fixing of prices"—and I am going to suggest to him that it has nothing to do with the fixing of prices, and there is nothing in the statement of its principle that indicates that it has. All it says is that if the government instructs this board to buy farm products, then it may buy them. But the government will state at the time the conditions under which it will buy.

Mr. Wright: Mr. Speaker, unless you rule otherwise, I intend to pursue the argument I was following; that is, the argument that if this board is set up it must quote prices when it buys and sells agricultural products. And in quoting those prices it does affect the economy of this country. I suggest that arguments in respect to that are in order under this bill.

As reported in the *Country Gentleman* for June, certain arguments were put forth in the United States as to what effect agricultural prices had on the economy of that country. Our economy in Canada is very closely related with that of the United States. The same factors which govern the rise and fall of prices over there govern the rise and fall of prices in this country. In that article it states that if there was to be a reasonable stability in the economy of the United States:

> There is one requirement. The products of agriculture and our other raw materials must be priced at levels that will generate and maintain the income necessary for these conditions of prosperity.

They are the primary power source of our economy, the controlling influence in its operations. The economic record of this country for the past twenty-five years demonstrates this fact with mathematical conclusiveness. Over that period, in good years and bad, the national income has held to a ratio of close to seven times the gross farm income. For the full 25 years it averages exactly that proportion.

All the major interests in our economy are geared to the same governing factor, a study of the record clearly shows. The value of manufactures, labour pay rolls and employment, the volume of retail sales and construction expenditures all have inevitably followed the course of farm income, up or down, within short intervals.

Both the prosperity peaks of 1947-48 and the downward turn of 1949 confirm the invariable working of this process. Gross farm income reached a high of $33 billion in 1947. Its effects carried over into the unequalled prosperity of 1948, sustained also by a gross farm income of $32.5 billion that year. But in 1949 we failed to safeguard this state of prosperity. The price level of 35 leading commodities, most of them farm products, in September, 1948, stood at 186 per cent of the price level of the 1926 base period. By July, 1949, the price level of these 35 leading commodities had dropped to 150 per cent. The decline in national income, factory output and employment were the direct and natural results.

If we permit farm income to recede further we can expect these same results to be repeated in corresponding degree. A drop of 10 per cent in gross farm income will force a loss of approximately $20 billion of national income.

And later:

Agriculture supplies 65 per cent of our raw materials and its income is the most sensitive and active part of this combination. Its products are mostly the kind that quickly enter into use, generating a rapid turnover. Also farm income is distributed among a large number of individuals, while more than one-half of our labour force is engaged in processing and distributing the products of agriculture. A drop in farm prices is carried through this whole economic circuit. A decline of $1 in gross farm income will result in a loss of about $4 of retail sales volume.

And later on it states:

Any benefit consumers get from cheap food prices will be shortlived and paid for many times over in reduced purchasing power, as the record of our economy for 25 years clearly proves. Food was cheap in 1939, when farm prices were at 84 per cent of parity, but 16 per cent of our labour force was unemployed and purchasing power also was low.

That is exactly what has happened in Canada. In 1939 when farm prices were low we had unemployment. Right now the Minister of Finance (Mr. Abbott) is favoured by a large surplus. Why? One of the basic reasons for that surplus is the large farm income this year. Large farm income is one of the basic factors in maintaining prosperity in this country.

Under this legislation the minister should provide that reasonable prices prevail in this country for agricultural products. That is necessary if we are to maintain prosperity in this country. This bill provides that the board to be set up will have the power to buy and sell agricultural products both in Canada and abroad.

When the Minister of Agriculture (Mr. Gardiner) attended the food and agriculture organization general meeting in Washington some two years ago he argued, if the press was correct, against the maintaining of basic supplies of food in reserve throughout the world. I understand that at the recent meeting in Rome of the food and agriculture organization, attended by the minister, he changed his position and stated that he believed that reserves of food established under the food and agriculture organization might be a good thing.

If the press is correct, the minister also argued that if we were to get maximum agricultural production there would have to be some guarantee of future prices so that when a man commenced to produce a particular agricultural product he would be sure that he would obtain a reasonable price when he marketed that product. Apparently the minister can argue that in Rome, but when it comes to instituting the necessary legislation in order to make that principle workable here in Canada it is a different thing.

Mr. Gardiner: I again raise the question that the hon. member is out of order. There is legislation to provide what he is asking for, but this bill has nothing to do with it.

Mr. Deputy Speaker: The amendment has already been ruled out of order and it is not in order to discuss the same thing on the main motion.

Mr. Wright: This bill provides for the setting up of an agricultural products board which will have the power to buy and sell agricultural products both in Canada and abroad. If that has nothing to do with the maintaining of fair prices of agricultural products, then I do not know what the bill was brought in for. Otherwise, it would have no meaning.

Mr. Gardiner: The hon. member can vote against the bill, but he should not discuss another bill.

Mr. Wright: The Agricultural Prices Support Act has no meaning unless there is a board to carry out the provisions of that act. The minister stated on the resolution stage of this bill that the three boards which had been set up for the purpose of selling agricultural products were to be replaced by a single board. When the minister was questioned on the matter of prices he replied that the board set up under the Agricultural Prices Support Act was set up simply to obtain statistics. If the statistics obtained are not carried forward into the implementation of other legislation, there can be no meaning to

those statistics. The minister cannot have it both ways. He should read his own speeches to see what he says.

Mr. Knowles: They all go both ways.

Mr. Wright: I agree with the principle of setting up an agricultural products board, but unless the minister changes his position and uses this board for the purpose of maintaining reasonable and stable prices in this country, it means nothing at all. What has happened to our prices? The other day the hon. member for Assiniboia (Mr. Argue) noted where the price of eggs had fallen fourteen cents per dozen in one day in one market. Less than six months ago the price of pork fell ten cents per pound.

Mr. Deputy Speaker: I am sorry to have to call the hon. member to order, but in my opinion he cannot discuss floor prices under this bill.

Mr. Wright: I must abide by your ruling, but I contend that there is no use in setting up a board under this bill unless it is given the necessary power to establish reasonable prices for agricultural products in this country.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, it is not often that I take part in a debate on agriculture, but I would like to take just a few minutes to place my views on the record. I come from a part of the country faced with problems very similar to those encountered by agriculture in western Canada. However, I must say that I am astonished at the action taken by those members of parliament who represent agricultural ridings or ridings in which agriculture is of great importance.

Every single resolution or bill in connection with agriculture, regardless of what it might be, has been responsible for touching off a full-dress debate on everything from the fertilizer and seed until the product is finally marketed. We sit here week after week and have amendments brought in; we have Mr. Speaker's rulings discussed and voted on. It would seem to me that far too much time of the house is taken in the repetition of the same questions and the same answers over and over again. In the maritime provinces there are many problems in the fishing industry similar to those encountered today in the agricultural industry.

Mr. Gibson: Just as important too.

Mr. Stuart (Charlotte): And just as important to the people there. I want to take a minute to say that I know that during the past two years hundreds of fishermen have not paid expenses. They have taken their money and put it into equipment, and conditions have been such that they have not paid expenses. These people have never asked for any assistance. I put a question on the order paper some time ago—it can be found in *Hansard*—and hon. members will find that every single dollar paid out under the Fisheries Prices Support Act this year went to the province of Newfoundland. Not a single dollar was paid to any other province in Canada. In other words these people like to stand on their own feet as long as possible. I have every respect for the views of members representing western Canada, but I think these problems could be dealt with more expeditiously than by taking up time day after day, particularly when Christmas is near, in discussing the same thing over and over. The record in *Hansard* will prove that, so far as many of the speeches that have been made are concerned, they can be found repeated on different occasions in *Hansard* of different dates.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I was quite interested in the remarks of the hon. member who preceded me. If conditions are as serious in the maritimes as he says they are and many hundreds of fishermen have not made their expenses in the last two years, then I would say that instead of reading a lecture to those from the western provinces he should be standing up in the house and demanding some action to preserve the fishermen of the maritimes.

Mr. Stuart (Charlotte): On a question of privilege, I might say that I have taken up the question, but I believe there are different approaches than taking up hours and days of the time of the house. I believe there is a more efficacious way of approaching these problems.

Mr. Diefenbaker: I agree with the hon. member that the situation is serious there, and if he and the other maritime members associated with him who support the government have taken up the matter then their lack of success must be attributable to government policy.

Mr. Stuart (Charlotte): On a question of privilege, Mr. Speaker—

Mr. Diefenbaker: Well, Mr. Speaker—

Mr. Stuart (Charlotte): On a question of privilege, not a single fisherman in my riding has ever approached me to try to get my assistance. I know their problems, and I know what they are up against, but they have never asked me to approach the government.

Mr. Deputy Speaker: The hon. member for Lake Centre has the floor.

Mr. Diefenbaker: I do not suppose fish comes under this measure, but my hon. friend has used it as an example, and in view of his recital of the serious conditions in the maritimes I believe the minister might very well join with the Minister of Fisheries (Mr. Mayhew) and add fish to this measure in order to ensure at least a reasonable degree of prosperity for maritime fishermen. I have not listened for a long time to a member from the maritimes boasting that, although the people he represents are having difficult times and are not securing the profit for their products which they should, nonetheless they raise no complaints. The farmers—and I speak for an agricultural constituency—on the other hand ask and, I believe rightly so, demand that they shall receive fair and proper consideration. You will never build up a prosperous country if the fishermen of the maritimes are not prosperous, and you will never build up a prosperous country unless agriculture is prosperous.

Mr. Gibson: Ask and ye shall receive.

Mr. Diefenbaker: My hon. friend certainly is a true exponent of the doctrine he now enunciates.

Mr. Gibson: I have not been asking for anything. I do not ask for anything.

Mr. Graydon: Keep your fingers out of the buzz saw.

Mr. Diefenbaker: It is certainly nice that everyone is in such good form today and so friendly. It shows that we are all working together right from Vancouver island down to the maritimes. To return to the bill, the powers provided thereunder are very great. Arbitrary powers can be exercised by the board to be set up. I often hear some of my hon. friends discussing socialism in the abstract. I know of no more socialistic measure than the one now before the house. It sets up an agricultural products board with absolute power over livestock and livestock products, poultry and poultry products, milk, vegetables, fruit, honey, maple syrup, tobacco, fibre and fodder crops. It sets up a board whose authority will be absolute under regulations passed by the governor in council on the recommendation of the minister.

Far be it from me to depart at any time from your ruling, Mr. Speaker, for I follow the rulings of the Speaker with haste at all times, but the house is asked to place absolute power in the hands of the board to purchase, buy, sell or import agricultural products without any consideration of the welfare of the farmer who is the producer. Apparently that is the purpose. Otherwise consideration would have been given to the amendment suggested by the hon. member for Assiniboia (Mr. Argue). A very serious situation will result from the passing of this bill. Parliament meets and grants powers under this measure whereby, under regulations made by the board with the authority of the governor in council, and under the direction of the minister, it may sell or deliver agricultural products to the government of any country, purchase or negotiate contracts for the purchase of agricultural products, buy, sell or import agricultural products, store, transport or process or enter into contracts for storage, transportation or processing. If the powers contained in the bill were used by the board there would be nothing operated by private business in this country today, so far as agricultural products are concerned, that could not be done by the board.

I know of no case where greater powers have ever been granted to a board than under this measure. Powers have been granted before covering certain products. This bill covers every agricultural product imaginable and the products of agricultural products. I suggest that such power should not be granted until the house knows that the welfare of the producer is going to be considered and that parity prices are going to be assured to the farmers. Otherwise what we are doing is setting up a board with absolute powers to run practically every business having to do with agriculture in the country. We are giving the power to investigate, to require any person by order to give at any time such information regarding agricultural products as may be deemed necessary, and very great penalties are provided for failure to carry out the wishes of the board. I should like to hear the minister say something about what the formula will be under which purchases will be made and orders for purchase will be given. I hear it said so often that the farmer is the one responsible for high prices today.

Various investigations were taken in this regard. It is extremely interesting to read of the investigation which took place in the United States, where the purpose in mind with respect to the commission that was set up to look into the matter was to ascertain whether or not the farmer was the person responsible for the high prices paid by the consumer. The United States Department of Agriculture released the figures in August. They showed the degree to which the producer shares in the final price secured for consumer goods. On the basis of a 16-cent loaf of bread, the consumer would have to pay

13·4 cents a loaf if the wheat from which the bread is made was free. In other words, out of the 16 cents a loaf, only 2·6 cents went to the farmer and the rest went for processing and distribution. Again in connection with canned goods, as to a can of beans selling for 16 cents, the actual amount that the farmer received was 2 cents, and the balance was taken up in processing and distribution. Then, as to a $50 suit of clothes, if the wool was free and if the farmer received nothing for the wool that goes into the $50 suit of clothes, the suit would still cost $40.50. And thus it goes all through the record, indicating that the farmer, even though he receives a fair and proper price based upon parity or almost upon parity, is not the one who is responsible for the high prices that are today being paid or for the high cost of living in general.

I do not know what can be done about the situation; but certainly in the world of today where agricultural production is necessary we in Canada should join the other members of the United Nations in the establishment of a world food bank, whereby reserves would be made available for distribution in those parts of the world that are today facing starvation and whereby surpluses that heretofore have resulted in a major fall in prices would instead be used for the benefit of mankind. Certainly something must be done to encourage agricultural production in this country.

At this late stage in the session I am not going to go into a lot of statistics; but may I say that while agricultural production, in the last five-year period, has increased 9 per cent over what it was in the five-year period between 1934 and 1938, the number of people in Canada is 12 per cent greater than it was during that period. Our production is going back. Canada's milk cow population is today the lowest in twenty years. The production of milk has gone down a matter of 1 million pounds per year since the end of the war. Butter production has dropped by 50 million pounds per year since the war. Cheese production has dropped by 100 million pounds. I think the time has come to do something in connection with prices in order to expand and to encourage production. One thing that today interferes with production is the degree to which income tax is levied against those who engage in extra production. This is a large problem but it is one that has to be met: and it will not be met by pieces of legislation such as this which empower a board to remove surpluses or to import, to buy or to sell agricultural products without parliament at the same time knowing, when it does so, that the farmer is going to receive a fair and reasonable price.

I should like to hear the minister tell the house and the country something about that conference in Rome. I read some of the remarks he made there; they were remarks that were certainly favourable to the people of Canada and acceptable to the people of Canada. The establishment and the acceptance by Canada of a world food bank is necessary today in order to ensure that, in years of overproduction, the surpluses will not be thrown upon the market and result in the kind of conditions that the hon. member for Charlotte (Mr. Stuart) has stated, in effect, are to be found in the maritime provinces in connection with fishing. Those of us who represent agricultural ridings, when we return to our constituencies, will be asked these questions: How is this legislation going to work? How is it going to operate? What prices are we going to get?

Today the farmer is disturbed over pork prices and the fall in them of some 25 per cent during a period of some three or four months. He is asking why it is that the price he receives has fallen by 25 per cent while the consumer has had no portion of the benefit in the prices he pays. That situation underlines the necessity for our knowing what we are doing when we pass this bill. It also calls upon the government of the day to do something to investigate the spread between the price the farmer receives and that which the consumer ultimately pays.

I cannot refer to another debate that is about to take place. Unfortunately I cannot be here for that one, having some time ago made my plans which require my presence in connection with a legal case. But when I see adopted by the government these plans for removing price maintenance and the like, I ask myself why it is that, as to foods, so much solicitude is shown for those great industries that distribute them and that no investigation has yet taken place to explain the spread between the price received by the farmer and that paid by the consumers, the people of Canada as a whole. Such an investigation would be a most interesting thing. That would be attacking the problem of prices. That would be attacking a matter that is of interest to every consumer, every farmer and every fisherman in this dominion. That would be a matter that would establish the facts so that ordinary Canadians like myself could understand why, when the price of pork goes down, as it has, the price paid by the consumer still remains the same.

Having said that, and not wishing to delay the house unduly at this time, I ask the

minister when he replies to answer questions such as those which are of interest to the farmers and are also of equal interest to the consumers who today, because they do not know the facts, too often place the responsibility for high food prices on the farmers and on agriculture in general, where it does not belong, instead of placing it upon those distributors who apparently are able to maintain their prices regardless of the fall in the price of raw products.

Mr. Robert Fair (Battle River): Mr. Speaker, I make no apology for taking just a few minutes of the time of the house, and I may say that it will be just a few minutes because I believe that my stand in connection with the plight of the farmers of Canada is by this time well known. It must be because of the approach of Christmas, and of the good feelings being enjoyed by hon. members here, that we had the genial, good-natured hon. member for Charlotte (Mr. Stuart) come into the house and make the confession he made, admitting that the fishermen in his constituency and in other sections of the country are not making expenses. I feel that this is a terrible admission for the genial member to make. We have heard little in this house from the representatives of the fishing communities. I want to tell the hon. member that if he presents a case showing the need of the fishermen, he will certainly have the support of every member in this group. We realize that these men have suffered, and that they are not receiving a fair return for their labour. As I have said, the hon. member will have our support if he presents a case for these fishermen. He has said that too much of the time of the house is taken up by farmers pleading their case and looking for something. Just as soon as our farmers receive justice, then we shall not take up any more of the time of the house. We shall devote some of our time to rectifying the wrongs inflicted on other sections of the country. While injustices are inflicted upon our people, then it is our responsibility to plead their case, and to continue to plead it until those wrongs are put right.

The farmers of this country have been asked to increase production. If they do so they find themselves between the devil and the deep blue sea. I say that because if they increase production there is no formula in our Agricultural Prices Support Act to enable the government to support prices, so prices fall. If the farmers do happen to make a few dollars profit, then the Minister of Finance (Mr. Abbott) demands taxes, which in some cases he does not need, and we find the Minister of National Revenue (Mr. McCann) chasing these farmers to the ends of the earth to extract the last dollar. Many of the most prominent farmers in my constituency have said that, until we have a policy which gives the farmers justice, they are not going to produce on an all-out basis. We can hardly blame them for taking that attitude. Production in Canada this year is supposed to be very high, but included in the payments to farmers this year will be payments that have been owing to them since 1945. I hope the statisticians will not neglect to take that into consideration when arriving at their figures.

According to the best information we can obtain from the dominion bureau of statistics, in 1950 the 23 per cent of Canada's population on the land received only 9·95 per cent of the national income. I believe the farmers work longer hours and work harder than any other occupational group in Canada, so how does the government justify the fact that 23 per cent of the population received only 9·95 per cent of the national income? Yet at this date the government still refuses to put any formula into the Agricultural Prices Support Act which would enable farmers to receive what they are entitled to receive. Although the ruling of Mr. Speaker prevents us from holding up this legislation, so far as I am concerned I have no desire to hold up the legislation, I want to see it passed because it goes hand in hand with the Agricultural Prices Support Act. While saying that, I do want the Minister of Agriculture (Mr. Gardiner) to introduce an amendment to the Agricultural Prices Support Act at this session, placing in that act a formula in line with the statement he made on the resolution stage, that farmers should at least receive prices bearing the same relationship as those they received in the 1943-45 period. In my opinion that will not give them a proper percentage of the national income, but it will at least ensure that they shall not be fleeced as they were in the thirties when wicked men brought about that depression, which many would like to see again.

Mr. H. W. Herridge (Kootenay West): I refrained from speaking on the resolution stage of this bill, Mr. Speaker, because I understood the minister was leaving that evening and desired the passage of the resolution by ten o'clock. This is an extremely important matter to quite a number of my farmer constituents. This is the first opportunity I have had to say a few words on this bill, and I intend to take advantage of the opportunity whether or not some members of the house like it.

We hear continuously of the great importance of the production of steel, of the production of iron ore and of the production of oil. But there is an inclination, even amongst some members of this house and a number of people in the country, to overlook the fact that all the other production in Canada depends upon the production of food. It is for that reason, Mr. Speaker, that we in this group and the members representing farm constituencies believe this is a most important measure. It is important not only because food is the foundation for all other production in this country, but because a great many of us believe that food is one of the great armaments in the efforts to build peace in the world today. It is taken for granted that business will try to get a fair profit. We hear repeatedly of the percentage of profit to which a manufacturer is entitled, or a wholesaler or a retailer. The workers organize to obtain a satisfactory wage agreement, and rightly so. The one group in the country upon whom all other activities depend is the group producing food, and the members of that group have to live a life that is, to a great extent, a gamble. Their life is dependent upon crop diseases, variable weather, markets and prices. Because we recognize this bill is a step towards building up orderly marketing in this country, and we hope it will do something to provide more economic security for the farmers, we in this group intend to support it.

May I call it one o'clock, Mr. Speaker?

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Herridge: Mr. Speaker, I trust the house will be patient with me for a few minutes while I make a few further observations on this bill. I should like to draw the attention of the house to the fact that to the best of my knowledge I am the only British Columbian who has spoken on this bill. I think British Columbia's interests are entitled to some representation here, particularly from our point of view.

When I was concluding my remarks at the time we recessed for lunch I said that we in this group support the principle of this bill. We do that because we believe the bill does offer an opportunity to introduce greater stability and security into agriculture. We believe that if that stability and security are to be obtained this bill must be linked effectively and used effectively with the prices support act. If that is done we believe there will be some confidence established in the future for farmers and for farmers' sons, and we might do something to arrest the very dangerous drift from the farming districts of the country to the industrial section. That drift, Mr. Speaker, is occurring right in my own constituency. Many of the younger men are going into industry because they see no future for agriculture, and many of the farms are being operated by older men.

The British Columbia fruit growers association received notice that they were to obtain a grant of $1,200,000 to assist them in connection with apple costs for the past year. The British Columbia fruit growers association is very pleased to receive that assistance, and are making arrangements at the present time to borrow money from the banks and distribute it to the growers, pending the receipt of the money from the government. But with all that, there is a great feeling of uncertainty in the fruit and vegetable industry in the southern sections of British Columbia. The fruit growers, the vegetable growers, the fruit growers organizations and the vegetable growers organizations have written to me and expressed their serious concern for the future in that respect. Our British Columbia fruit growers association is a most efficient organization and keeps its growers well informed of the situation concerning marketing from week to week. Quite recently they published a special bulletin dealing with the government assistance on the 1950 apple crop. In that bulletin they published a letter written by the minister to the president of the British Columbia fruit association, having regard to this $1,200,000 assistance, and made some other comments. These are the two comments that concern the fruit growers of British Columbia. I am going to read just one short paragraph of the minister's letter. The minister said, in part:

> The government has decided, therefore, that after this grant of $1,200,000 no further assistance can be provided to the apple growers of British Columbia with respect to difficulties that have arisen and adjustments that have been necessary within the industry since the war.

At the conclusion of the minister's letter they go on to comment:

> It will be noted that no mention has been made of the Agricultural Prices Support Act. This grant was not made under the act but is a special grant from the government. It is a fact that apples have not been officially accepted under the terms of the prices support act.

What is causing uncertainty is the fact that the minister has said that in future they will receive no further assistance by way of grants, and to date apples have not been brought under the prices support act.

In passing I want to indicate to the minister and to the house how careful our organization is in the distribution of government grants.

They do not treat government grants lightly. I shall quote the figures of the distribution. They made arrangements for a joint committee of the British Columbia fruit growers association and Tree Fruits Limited to distribute this money. I want to mention this to indicate the care given in their calculations. Extra fancy, large, medium and small apples will be subsidized from this grant at the rate of $0·16126772 a box, just over 16 cents a box. It is taken to the tens of thousandths of a point. All Cee grade: extra small, extra extra small in both fancy and extra fancy, cookers and hailed fruit, $0.13126772 a box. That shows just how careful they are in their accounting. I should like the hon. member for Peace River (Mr. Low) to notice just how efficient they are in the accounting end of their business.

Mr. Low: To the tenth decimal point.

Mr. Herridge: Yes—and in the distribution of public funds. They go on to say—and I am just going to quote two short paragraphs:

> While the money will not be available from the government until next March an arrangement is being worked out to borrow the money on a reasonable basis and it is intended to place it in the hands of the shippers in time for distribution by December 10.
>
> No one will pretend that the apple industry is in a happy state today. It would be remarkable if it were, with our offshore markets lost outright or heavily reduced by currency restrictions and subsidized competition, and our continental markets curtailed by excessive and unfair freight rates.
>
> These conditions have led to a great deal of talk about floor prices and the Agricultural Prices Support Act. Such assistance can come only from the federal government, and there are two essential conditions which must be met before there is any hope of it. The first condition is that it must be a strong case, presented by a strong organization speaking for all the growers. We have this organization in the British Columbia fruit growers association, with its growers united by a common contract. The second condition is that, in the event of aid being granted, the grower organization must have the means of distributing it.

Both of these conditions are fulfilled. Contracts have recently been signed, and they have a very strong united organization. They have the ability to co-operate with the federal Department of Agriculture in the distribution of any funds available. I am just going to support briefly what previous speakers have said, that agricultural prices have been dropping and costs have been rising. I am not going to quote at length, but I hold in my hand a pamphlet published by the Ontario fruit and vegetable growers association entitled "The truth about fruit and vegetable prices," which gives several illustrations of the lowering of prices of farm commodities and the increasing of costs. I do want to deal briefly with a clipping from the Nelson *Daily News*. The vegetable growers of the interior of British Columbia recently met in Nelson and discussed their general business and dealt with their problems for the future. There again they are very concerned about the uncertain future. This is taken from the Nelson *Daily News* of November 8:

> U.S. competition "unfair," vegetable growers charge.

Then there is a heading: "Planned production should be introduced." We in this group very heartily agree with that. We know that if the government is going to establish floor prices, forward prices, they cannot subsidize inefficient and uneconomical production. I read this extract from the Nelson *Daily News*:

> Growers agreed with Mr. Wilson (chairman of the interior vegetable marketing board) that vegetable growers received a square deal in wartime when there was a floor price for the producer and a ceiling price for the consumer.

Then one grower, whom I happen to know personally, and who grows 40 acres of vegetables on very fine land, a former immigrant from Holland, a very scientific vegetable producer, has this to say:

> Mr. DeJong said that an over-all program should be instituted by the government under which a farmer would be told what produce he could grow, with consideration, of course, to whether his land was suitable, availability of markets, and so on. This system is in effect in Sweden, Norway, Denmark and Holland, he said.

He goes on to deal with the uncertainty of the future. Mr. DeJong is the most efficient vegetable grower in the interior of British Columbia. Then he goes on to say this:

> Everyone else has security, but not the farmer.

I think there is a great deal of merit in that statement. The article goes on:

> Mr. DeJong said that this year he had put only 55 per cent of his land in crop, and had dispensed with buying any chemicals. "The risk is too great," he said.
>
> Society, the growers agreed, is overlooking the fact that its mainstay is the production of food.
>
> Attractive wages of industry are drawing more and more people into the cities, and young people are not entering farming.

The point of this case is that this very large grower, within ten miles of an industrial city, with a market at his door, cannot afford to pay wages in competition with surrounding industry. He has to curtail production, and curtail the quality of his farming, in order to get by at all.

The British Columbia federation of agriculture has repeatedly urged the necessity for some system of over-all forward prices. In fact, I think the British Columbia fruit growers organization was the first agricultural organization in Canada to suggest the necessity for an act similar to the Agricultural Prices Support Act. I do know that the British Columbia fruit growers association was the mother of the Canadian Federation of Agriculture. So you see we are

dealing with a progressive and intelligent type of farmers, and some I have the honour to represent.

Mr. Laing: Charlie Hayden was the father.

Mr. Herridge: The hon. member for Vancouver South has mentioned that C. A. Hayden was the father of the Canadian Federation of Agriculture. At present he is secretary of the British Columbia fruit growers association, and the editor of *Country Life*. It was through his efforts in the early days that we had the beginning of the Canadian Federation of Agriculture.

I wish to mention one or two further points before concluding. When we talk about price support we know it will cost the country something. But we have to balance that cost against the place of the farmer in society. I was very much interested in reading in the November issue of the *Manitoba Co-Operator* a few figures concerning the cost of price support, per capita, in Canada. It states:

> Canada's program of price support for farm products, initiated in 1946, has cost the Canadian people approximately three-quarters of a dollar per capita for the whole of the five-year period covered by the report just issued by the prices support board at Ottawa.

I am not going to deal with the figures in detail, but I would draw attention to the 75 cents per capita for price support. What would $5 per capita mean, if it were going to assure the stability of agriculture in this country, and if it were going to assure the necessary production of food both at home and for use of those abroad who are working for peace? I suggest seriously the Minister of Agriculture (Mr. Gardiner) would be quite justified in receiving funds from the Department of National Defence. In the light of the terms of the Atlantic treaty, and the activities of ministers and delegates at various organization meetings to consider united action for the defence of democracy, I say the Department of National Defence could very well say to the Department of Agriculture, "Here is $10 million to assure positive and effective price support." That would be a good investment toward the maintenance of freedom.

Before concluding I should like to quote briefly from *Country Life* an article which I believe would be of interest to hon. members. This is the April, 1951, issue, in which Dr. Raymond W. Miller, who has been a frequent visitor to British Columbia, and has paid direct attention to agricultural affairs, and who now acts in an advisory capacity to the United Nations Organization, had this to say:

> The real answer to the world's problems lies in assisting the rural peoples of the earth to attain a better standard of living.

I believe that expresses well and briefly the facts as we see them today. The real answer to the world's problems is to raise the standard of living of the rural people. Before I take my seat let me say that I think the hon. member for Lake Centre (Mr. Diefenbaker) made an excellent suggestion this morning when he said the government would be well advised to make an investigation into the spread between producer and consumer prices of agricultural products.

We know the producer gets only what is left, and that the consumer is paying a high price. I believe there is a great opportunity for the government in this instance to render a service to agriculture and to the consumers. It would assist the public generally in understanding the complexity of this marketing problem.

The farmers of Canada have built sound co-operative organizations. They can grow the crops. They can process the crops, and they can market them within the limits of their powers, and within the limits of fluctuating prices on a fluctuating market. There is no question about it, the farmers are doing their part. They are doing all that is required of them. I hope after the bill has been adopted the government will use the measure and link it up with the Agricultural Prices Support Act so as to give some measure of security to the farmers.

Mr. H. O. White (Middlesex East): Mr. Speaker, the position in which agriculture finds itself today makes the adoption of this bill more or less a necessity. This comes about because of the peculiar position in which the policies of this government have placed agriculture.

I need refer only to one product, butter, to justify Bill No. 18. During the last year, when some 4,500,000 pounds of butter were imported, I believe Canada Packers and others took advantage of the situation to secure butter at a low price and to sell it at a fairly high price. So I say that while this bill is necessary, it is still vicious legislation.

The hon. member who preceded me in the debate has referred to the cost of 75 cents per capita in connection with the support of prices. That, in itself, is an indication that the support legislation has never been used seriously or conscientiously for the purpose for which practically all agriculture believed it was first intended.

I have said before that it was used to win two elections, but not to support agricultural prices. We were told many times that the surplus production of agricultural products in Canada was going to be used to feed a starving world. I can remember the Minister of Agriculture (Mr. Gardiner) boasting of the 700 million pounds of surplus bacon we had for export to Great Britain during the war years. But now that has disappeared, along with the surpluses of practically every other farm product, with the exception of wheat. If they have not disappeared, they are disappearing. The supplies are becoming lower and lower each year. Bulk sales at bulk prices have resulted in practically no surpluses with, as I have said, the exception of wheat.

This bill is an indication of an admission on the part of the government that their agricultural policy has been a failure. The net result has been lowered production and eventual higher prices to the consumer.

Over many years Britain engaged in bulk buying. Socialism and bulk buying reduced Britain to more severe rationing than had existed at the worst period of the submarine warfare. This morning the hon. member for Lake Centre (Mr. Diefenbaker) referred to what the farmer gets and what the consumer pays. The price maintenance legislation that is likely to be discussed this afternoon is not going to help the farmer because he is the one class in the community who is not able to enter into price maintenance agreements as far as the resale price of his product is concerned.

In a more jocular mood, the hon. member for Charlotte (Mr. Stuart) this morning referred to the fact that fishermen had suffered two bad years. Out west we are being told of the desperate plight of farmers who have been unable to harvest their crop or who still have wheat standing under the snow. Others have considerable damp and tough wheat on their hands. Efforts are being made with loans and advances to meet this condition. I would say that the fishermen's assets are in a much more liquid position.

Bulk buying may assure cheaper food for short periods but in the long run it results in lessening supplies and eventually higher prices. Continuity of supply is not guaranteed by that method of merchandising. I need only refer to the bulk buying of beef by Great Britain from the Argentine where the net result was the creation of bad relations between the two countries.

During the discussion of this bill reference has been made to the Agricultural Prices Support Act. The trouble with all bulk buying is that it is not the market price that eventually prevails, it is a political price. That is what happened with our wheat deal. We wanted to make a deal with Great Britain so that later on when times were not so good they would buy more of our wheat. What happened? We certainly did not like what happened.

It is becoming more and more apparent to the agricultural producers of this country that the government has come to the conclusion that they can deal with agriculture in a roughshod manner. After having sold the dairying industry down the river the people voted for them in 1949 and on that basis they considered that they could do pretty nearly anything they liked as long as it was for the advantage of the consumer. When the minister was introducing the resolution he said that there would be no compulsion under the bill. I should like to refer to his remarks on that occasion, and I quote from page 974 of *Hansard* of November 13, 1951, as follows:

> The proposed bill will set up one board composed of persons employed in the different branches of the department which are concerned to purchase and sell farm products. The board will have no authority to compel delivery of a product produced on the farms of Canada. It will only receive the product when the price offered in a competitive market results in its delivery.

The agricultural industry hopes that such will be the case. There is another rather alarming feature. There is a possible fine of $500 for the refusal to give information asked for. In this connection I should like to refer to the attitude taken not long ago by the government. On November 21 the hon. member for Calgary East (Mr. Harkness) inquired of the government as to the number of bushels of wheat which the wheat board had on hand. The minister replied, and I quote from page 1224 of *Hansard*, as follows:

> It has been a practice for many years to refuse information as to the current marketing position of wheat, for reasons my hon. friend will understand. We do not wish to give our customers our stock position. If we did, it might easily have a bearish effect on the market. Therefore the information cannot be given in the form asked.

On the one hand the government says that you must give the information required and, on the other hand, the government refuses to state its position as far as the marketing of wheat is concerned. When the shoe is on the other foot and the farmer does not want to give information, he is faced with a possible fine of $500.

There would be a howl from labour and industry if the government set up purchasing boards to buy manufactured products such as shirts, overalls, automobiles and many other

things. What would happen if the government decided that the price of any one of these articles was too high in Canada and therefore they would import some to be sold for less? They would certainly be in difficulty. But that is what this government is doing under this bill.

What is needed is a more definite formula for agriculture so that when products are produced producers will know that they will receive a price bearing at least some relationship to the goods and services they must buy in order to carry on their work. Otherwise this country is going to face a continually declining production of agricultural products. Farmers do not stage sit-down strikes such as industry and labour have done, but over a long period the decision to reduce agricultural production can have a far more disastrous and far-reaching effect than the more spectacular strikes we read about in our newspapers and see taking place in our industrial cities. Section 4 of the bill reads in part:

(c) buy, sell, or import agricultural products;

(d) by order require any person to give, at the time specified in the order, such information respecting agricultural products as may be necessary for the proper administration of this act.

While we will be forced to support the bill, I am afraid of possible implications.

Mr. William Bryce (Selkirk): Mr. Speaker, there are some remarks I should like to make and in doing so I shall try to keep clear of a discussion of prices and thus abide by your ruling. I agree with this bill as I think something like this has been needed for some time. My good friend the hon. member for Middlesex East (Mr. White) said that bulk buying and socialism have put Great Britain in the position she is in today. I give my hon. friend credit for knowing the situation better than that. Even today Mr. Churchill has not cancelled bulk buying. They are still carrying it on, and during the war it was the best method they could find. If they would do a bit more of it I think it would be good for us. The hon. member said: What did it get us before? He knows that wheat sold at 35 cents a bushel at one time, and we do not want to go back to that again. However, I want to confine my remarks to the minister. I hope he will give us some assurance that when this board of from three to seven members is set up there will be a representative of the producers on it. He knows what I mean. I do not need to explain it to the minister and take up time. He knows what I mean by representation for the producers.

[Mr. White (Middlesex East).]

I do not want somebody who was born on a farm and has forgotten what it looks like. I want somebody who is a bona fide farmer so that he may represent the producers on the board in company with the representatives of other classes. I think we should have been discussing prices, but I will let that matter go. All I want to say is that I think prices should be guaranteed. They should be on the basis of a formula so that we will know where we are. What I am trying to say is that in times past prices have been set but at the packers' level. I can explain that by referring to the setting of the price for lambs. It was set at a quarter of a cent less than the floor price. That was no favour whatever to the farmers. He sold his lambs to the drover or stockyard, they were purchased, and immediately they came into the hands of the packer the ceiling applied to them. I should like to see the farmers get far more protection than that.

From visiting other countries, which no doubt the minister has also visited, I know that forward prices have done wonderful things in giving the farmers security. I think it is quite possible for the government or the minister's department to enter into such a scheme, guarantee prices for two or three years, and give stability to everybody right along the line. Hon. members will realize the tremendous benefit it would be to hog producers, poultry keepers and dairymen if they knew what they were going to get, and that at no time would they have to take less but might get more. I cannot go further without getting into the question of prices and being ruled out of order, although I had prepared my notes to discuss prices. I hope the minister will tell us whether he does not think the time is ripe for us to have forward prices in Canada in order to give security to the farmer, the poultry producer, the dairyman and everybody else engaged in producing the necessaries of life for Canada.

Mr. L. E. Cardiff (Huron North): Mr. Speaker, I had no intention of saying anything on this bill, but I should like to say that I have read the bill carefully and will vote for anything that will be of benefit to agriculture in this country. The farmers have never got too much. However, looking at the bill I cannot see that it will be of very much benefit to them because of the fact that there is no assurance that producers will be accorded representation on the board. When the minister replies perhaps he will tell us who are going to be on the board. Looking at the bill it is evident that all the authority rests with the minister and the

governor in council, the cabinet. If they are going to have full authority under the measure then of course we will only get what they want to give us. If we cannot have a producer member on the board I do not think the legislation will be of much benefit to us. I hope when the minister replies he will give us some assurance that we will be taken care of.

Something was said about the reason why pork dropped approximately 25 per cent in price earlier this fall. I was told by a very good authority that the reason that pork dropped was not because of the quantity on hand but because packing house lockers were empty. The price went down so they could fill up the lockers with cheaper pork. I cannot figure out any other reason, and I do not think those are very sound business methods. The producer is in the position where he must market his hogs. He cannot hold them. One fellow came to me and said: "I will not deliver my hogs; I will not market them." I said, "What are you going to do?" He said, "I will turn them out to grass." That is all very well, but you have got to deliver them at a certain weight and you cannot hold them. You are caught both going and coming. The hogs must be delivered at a certain weight if you want to get a price for them. I do not think that is a good situation. Hogs should not take a slump of 7 or 8 cents a pound just at a time when perhaps a quarter of the production is ready for market. I think it is a disgraceful way of marketing anything. If the minister will tell me that producers are going to be represented on the board, then I have no fault to find with the bill; but if they are not, then I do not think it is any use at all. If the minister and the cabinet are going to exercise the whole authority then I am not satisfied with the measure.

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I should like to support the remarks of the hon. member for Huron North (Mr. Cardiff) and the hon. member for Selkirk (Mr. Bryce) that the producers should have membership on the board. I hope the minister will give us that assurance when he speaks. Generally speaking I think the setting up of this board will be an excellent thing for the farmers. There is no doubt that considerable power is being placed in the hands of the board. I had a call from a friend of mine in the seed trade who is concerned as to what this measure may involve. For example, if there is a shortage of seed in Canada the board may decide to bring in large quantities of seed from South American and Mediterranean countries. Such seed would be No. 1 grade and could be blended with Canadian No. 1 seed and sold as top grade. So far as freedom from weed seeds is concerned, this would be perfectly all right, but there is the important question of the germination of seed coming from these countries. We have to remember that the question of the rigours of our climate means a great deal in the percentage of germination of foreign seed. When the question of the appointment of the personnel of the board is being considered, I hope serious consideration will be given to the personnel. They should be men well qualified to study every angle of the great agricultural problems facing us. I want to add that one word, that serious consideration should be given to the personnel of the board.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Gardiner: I am sorry it will not be possible for me, without breaking the point of order I raised earlier—

An hon. Member: That does not make any difference.

Mr. Gardiner: —to answer all the questions or suggestions that have been made as to what I should say in reply. I think what is most important for me to say is that I believe the members of the opposition have been attributing much more importance to this particular board than was intended by the government or myself. As I understand it, the board really has no authority to settle any of the questions that have been discussed here. They only have one authority, and that is to buy and sell farm products when they are instructed by the government to do so. That is the only authority they have; they have no other authority. In order to make it clear that they can perform that service for the agricultural prices support board, the bill names the agricultural prices support board as one of the authorities for which they may act—with government instruction, of course.

The agricultural prices support board, as has been indicated, has the authority, and has settled upon a form of action which results in agricultural price floors. They are not satisfactory to everyone. But nevertheless, that legislation gives that authority. The setting up of this board does not take any of that authority away from the agricultural prices support board. It does not give to this board any authority to do that kind of thing.

The second last speaker, I think it was—the hon. member for Middlesex East (Mr. White)—suggested that he is not in favour of bulk buying. There is not much use of

arguing the question as to whether you are in favour of bulk buying or not. There are certain countries that will not buy in any other way; and if you want to sell to them, you are going to sell in bulk or not at all. It just so happens that one of those countries is one to which we are most anxious to sell. Under the new government there we do not know whether they are going to pursue that policy. We know, however, that under the government that has just gone out they pursued that policy. One of their contracts is a meat contract with Australia for fifteen years. Of course, the question arises with those who are in authority now: What are we going to do about that contract? It is there; and there are other contracts ranging from that fifteen years down to four years. The only relationship that this board has to that situation is that the British had already indicated to us, before the change in government, and that representation has been continued since: "Would the government be prepared to buy farm products for us in Canada if we were to ask them to do so"? In so far as this measure is concerned, all we have said is: We have a board that can do that, if you want it done. That is what it really means. If they came to us and said: We want to buy certain things, we wish to buy them in Canada but we do not wish to go to the trade and we would like to have the government buy them, we will say: This board can buy them for you.

But under this legislation we do not intend to go into the business of buying farm products and selling them. That is not the intention at all. The intention is simply to have there a board which, when there is a job of that kind to be done, can do it.

In order to indicate that is the position, I would call attention to the fact that there is in this bill few of the powers that we had in the legislation, or even in the orders in council, under the War Measures Act, which made it possible for us to set up the dairy products board, the meat board and the special products board. Under either the orders in council or the legislation at that time we had authority to go and take the product out of the packing houses or even to go and take the product off the farms. We did not exercise the right to go and take it off the farms but we did exercise the right to go and take it out of the packing houses, and we exercised the right to take cheese out of storage and all that kind of thing. None of that authority is given to this board. It has none of those rights because, under our constitution, in peacetime we have no right to give to a board that kind of authority.

All we are saying in connection with this act is that where, for one reason or another, it is necessary, this may be done. There may be a dozen different reasons; the only one we have felt it necessary to act upon up to the moment is that which necessitated buying some butter outside Canada, and this board is doing that on instructions from the government. Other circumstances could arise. I am not going to try to guess at what they are.

In order to answer the question that was just raised as to whether the board should have farmer representation on it, I am only going to answer with the same answer as I gave at the time we were setting up the original board to deal with agricultural floor prices or what is properly known as the Agricultural Prices Support Act. We were then asked to put on that board representatives of the producers. I took that matter to the Canadian Federation of Agriculture and I asked them which they would prefer to have, the chairmanship of that board or representation on an advisory committee. We were quite prepared to appoint their president, Mr. Hannam—and he is still their president—chairman of the board. They took that matter back to their board and discussed it, and they told us that they much preferred to be represented on an advisory committee and not on the board that was doing the job. They said much the same as was said here by one of the members a few minutes ago—I think it was the hon. member for Selkirk (Mr. Bryce)—or as was implied by him in what he said, namely that if you put, let us say, Mr. Hannam on the board, and he remains there for five or ten years, people will start to say that he is not a farmer at all but that he is just a government employee. That is what would be said, because that is what has been said about every person who has been put on and kept on boards. The federation made the choice. They said: Set up an advisory committee and give us representation on it; make it possible for that committee to be called together at their request from time to time; we would much rather have that than have a member on the board. That is the way we have been operating. Mr. Hannam is the chairman of this advisory committee. He was made chairman because he was the president of the Canadian Federation of Agriculture. They have been allowed to nominate nine, I think it is, out of the sixteen members of the committee. Then the provinces have been allowed to nominate members. The result is that by far the greater number of those who are on the committee are deputy ministers from the provinces or representatives of farm organizations across the country. Every time they have indicated a desire to be called in here—and they indicate it through the chairman, Mr. Hannam—they have been called in. They have set a date

which was satisfactory to us and to them, they have come here and advised us on every important action that has been taken from that time down to the present. I suggest that none of those who are closely associated with that organization will suggest that this procedure ought to be changed. But that applies more to boards that are settling these matters of policy which members have been concerned about, and I am quite sure that the farm organizations would be the last to ask that farmers be put on this particular board, because we do not know whether this board is going to operate to any great extent. The board, as it is operating, has been operating under order in council, under the measure we put through last year which was set up under the Department of Trade and Commerce. We had the right to appoint various organizations as emergency organizations. This one was appointed as an emergency organization to handle butter. It is assumed that there will be other operations that will need to be handled. The board was named under that authority. It consists of Mr. Pearsall, who was chairman of the old meat board; Mr. Chagnon, the vice-chairman; Mr. Nelson Young, director of production, as a member; Mr. W. C. Cameron, who is at the head of our dairy branch, as a member, Mr. Wheeler and Mr. Berry. Those men are all members of the staff of the department. There are no salaries to be paid out. They are simply there in case it is decided, perhaps over a few months, to buy some particular product. They are not operating as a buying and selling board. They are simply there as a group that could be called together and asked to buy a commodity for the time being in order to serve some purpose, or deal with some condition brought about through the administration of another act, or another operation within the department or some other department.

Now I repeated that in order to show that the board has not the important function that might be indicated by the language that has to be used in setting up a board of that kind. Certainly, the board has to be given the authority to buy and sell. But it is set out very carefully in the act that they cannot buy and sell at all unless they are asked to do so by the government, not by the minister, but by order in council. That is the only way they can buy or sell anything. They are not set up to buy and sell any farm product from day to day. I would suggest again that the board is not nearly as important as has been suggested in this discussion.

I do not believe it would be possible for me to discuss what has been said to any greater extent without getting into the position of discussing something which is not covered by this bill. When we get into committee, if there is any information desired about farm prices and the sale of farm commodities that it is proper members should be asking for, I am quite prepared to answer those questions. I do not believe I would be pursuing correct procedure if I were to enter into a general discussion of those other measures, and other activities under other bills, in the manner that has been followed by some of those who have taken part in the debate. I again move the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Wright: On section 1, I should like to comment on statements which have been made by some of the members about the bulk buying being carried on by Great Britain. I should like to direct the attention of this committee to the fact that bulk buying was not started by the Labour government. It was started by the coalition government during the war, was continued by the Labour government, and is still being carried on by the Conservative government in Great Britain. Evidently they believe it is the best method by which they can obtain their supplies. There are certain other questions I want to ask, but I shall leave them until we come to the appropriate sections of the bill.

Mr. Blackmore: Will the minister state whether or not this bill has as its major function the finding of markets for Canadian products? Is that intended to be part of the work of the board set up under this bill?

Mr. Gardiner: No, that is not one of the functions of this board at all. Of course, it is the general function of the marketing branch of the Department of Agriculture and the Department of Trade and Commerce as well, but this board has not that authority.

Mr. Blackmore: Why then is the provision made for buying and selling?

Mr. Gardiner: Let us take the one product, butter. If butter is bought, of course it is going to be sold. We are just bringing it here for the purpose of seeing that it is sold. It is brought to Canada because our supply is short. The board has the authority to sell, and may do that by simply selling it to some branch of the trade which will distribute the butter to the public.

Mr. Blackmore: It is just a sort of agent for doing a job?

Mr. Gardiner: That is all.

Section agreed to.

On section 2—*Definitions.*

Mr. McLure: Various products are set out in section 2. Will the minister state whether conservation furs come within the definition of "agricultural products". There is no mention made of them, and they are now under the prices support act.

Mr. Gardiner: In so far as we have assisted in the marketing of furs, they have been handled under the Agricultural Products Co-operative Marketing Act of 1939. Under that measure we have guaranteed accounts at the bank. The act permits us to guarantee the account of anyone who comes under that act up to 80 per cent of the average price of the preceding three years. In actual practice, I do not think the board has ever agreed to a price higher than 60 per cent of the average of the preceding three years. We did guarantee the price of furs up to a set amount in 1947-48, at which time we took a considerable loss. Speaking from memory, I think the proportion of the price at that time was somewhere between 40 and 50 per cent. Prices were so high during the latter part and at the end of the war that there was a loss on those furs. So far as I can recall, furs have been handled under that act, and are still handled under it.

Mr. McLure: I understood the minister to say the board took a loss, but the producer took a tremendous loss. It costs 50 per cent more to produce those furs today than it did in 1939 or 1940. The cost of everything, such as labour, food and so on, has caused that increase in the cost of production. No farm can produce today except at a loss, that is with the prices that are realized under this market support act. I thought if some changes were going to be made, consideration might be given to bringing this product under this act and treating it in a different manner from that in which it has been treated. The method now being followed is of no benefit whatever; in fact it is injurious to the trade.

Section agreed to.

On section 3—*Board established.*

Mr. Cardiff: When it is stated that the board will consist of not less than three and not more than seven, why is there not a definite number set out in the bill?

Mr. Gardiner: At the moment we think it is best that the three groups that were represented on the previous three boards should be represented on this board. In case we are dealing with a dairy product, we think a dairy man should be on; in case we are dealing with meat products, then we think a meat man should be on, and to keep all of them represented it requires seven.

Mr. Cardiff: In that event the minister can call in anybody he wishes.

Mr. Gardiner: Yes, or any part of it.

Mr. Wright: A little while ago when the minister discussed this matter he said he had discussed it with the Canadian Federation of Agriculture on a previous occasion, and they had indicated that they would prefer to be represented on the advisory board rather than on the main board itself. I should like to bring to the minister's attention a criticism that is frequently raised in the country, and I should like to know whether it is justified or not. The growers' representatives from the various farm organizations who are on this advisory board, and who sit in with the main board in discussing questions that may arise as to whether the product should be brought under the board or as to what the price is, are sometimes criticized. The criticism that I hear in the country is that, having sat in on the discussion, these men are not able to come back and freely express their views before their own organization, because their hands have been more or less tied by the fact that they have discussed the matter with the government. There is considerable criticism of members of some of these advisory boards by the growers themselves because of the fact they feel that their representatives have more or less tied themselves to a certain position and cannot come back and freely discuss that position with their growers or with the body whom they represent. Are these men who are on these advisory committees of the two boards in any way prevented, through being members of these advisory boards, from coming back to the producers and fully discussing their position on the advisory committee with regard to matters that may have been discussed between them and the government?

Mr. Gardiner: The committee is set up with a full understanding and in such a manner that the members are advisory not only to the department and through the department to the government, but they are intended to be advisory as from the department to farm organizations represented and the provincial government represented. What they expect me to do, and what I do, is to open the meeting and give them all the information that I can properly give them with regard to what we know about the marketing situation in different places, probably the information

that has come to us from provincial authorities, or from authorities in some other country as to what the position is.

We have had an understanding from the beginning that while these discussions are on a great many things may be said on both sides that should not be spread indiscriminately around the country. We could not give it if it were going to be spread around the country, and they would not be in a position to advise if they did not have all the facts. I must say that over the years, I think beginning back about 1944, down to the present, there has never been an occasion that I know of when anyone came out of that committee and said anything they should not have said, and that is a rather remarkable experience. I think they will agree too that no member of the departmental staffs, including myself, has gone out and repeated anything that they have said, that they might, after getting all the facts, have thought that probably it would have been just as wise not to have said. The committee is not conducted in that way. They all sit down behind closed doors for the time being, and do discuss the whole matter, and it is fully understood that the decisions which have been reached there, and the information that they are finally given by the government after the discussions —at the end of these considerations I come back and discuss the matter with them after they have spent two or three days in threshing out all the questions that they think should be threshed out—they have put their representations in front of me and I go over each one of them and tell them pretty well what I think can be done in the circumstances, or what may be done. They then are in a position to advise either their provincial governments or the farm organizations they represent as to what the position is. That is the principle on which we operate. It has not been said to anybody: "You must not say this, or you must not say that". There is a general understanding that we think we know one another's point of view on it, and we think we know when something has been said that other people would perhaps prefer not to have repeated as having come from them directly. Therefore we do not repeat them. That is the only sense in which there is any restriction.

Mr. Charlton: Just a word, but before I say that I do wish to say that I appreciate the assurance the minister gave this morning—at least I thought he did, if I heard him correctly—that this board would not in any way interfere with the producers' boards now in existence or organized in the future.

Mr. Gardiner: That is correct.

Mr. Charlton: He did make that statement, and I thank him for it.

With regard to section 3, I should like to say a word on subsection 6. It has been quite apparent in the last few years that the government does want to take away from the civil service commission the right to hire men and fix salaries. In view of the fact that number 7 is here, that the members of the board, as I understood the minister to say, were now civil servants in his department, I see no reason for number 6 being there. I think it should be deleted. It changes all the principles of the Civil Service Act as it now stands. I do not believe in the principle that the governor in council should have the privilege of picking men and giving them jobs and setting their salaries, all outside the Civil Service Act.

Mr. Gardiner: There is only one reason for continuing it in the bill, and I think it is a good one. We have no reason at the moment for thinking that there should be anyone on the board who is outside the civil service. There is always the possibility that there might be some product to be dealt with that is not a product over which we have sufficient control to be able to feel that our officials should handle it. We may desire to go outside to some farm organization that really has control over the product. Just by way of illustration—I may be introducing something with which I may be confronted later and asked to appoint someone. A question was raised just a few moments ago by an hon. member from Prince Edward Island with regard to furs. There is just a possibility that if someone were to say to us: "We would like this board to buy furs", we might not think we had anyone in the department capable of handling that matter, and we might ask somebody to sit down with the board to deal with that. In that case we would want to provide for some payment. That is the only reason it is there. In addition to that we may have it develop into a sufficiently onerous job to be giving to some official in the department far more work than he should be asked to carry without any additional pay. Then there might be something added to the pay he is receiving. I think the section should stay there to deal with these matters, but I can assure the hon. member that I will not be able to get any considerable payment for any of those who are already on the civil service staff past some of my friends, including the Minister of Finance.

Mr. Charlton: The statement does not answer the question. Surely in the case of furs the minister would not hire a man to go on that board.

Mr. Gardiner: Perhaps one would hire him for a few months.

Mr. Charlton: You could hire a specialist for a month. That would be better than hiring a man to go on the board for the entire year.

Mr. Gardiner: We would have to pay him, whatever the length of time was.

Mr. Charlton: Well, that is an altogether different thing. This subsection says that the governor in council may fix the salaries or other remuneration of members of the board. He would not necessarily be a member of the board. An expert who would be hired to give advice as to the grades of furs, and things of that kind, would not necessarily be a member of the board. But subsection 7 of section 3 says:

> Officers, clerks and employees required for the proper conduct of the business of the board shall be appointed in accordance with the provisions of the Civil Service Act. But the minister may require any officer, clerk or employee on the staff of the Department of Agriculture to serve on the staff of the board without additional remuneration.

The minister has just said that he might have to give them more; and yet in subsection 7 it is made clear that he cannot give them any more. They must work for the salary they are receiving now as civil servants.

Mr. Gardiner: The other remuneration might be only expenses.

Mr. Charlton: Oh, if the minister is going to add to salaries by paying expenses—does he mean under the table?

Mr. Gardiner: No, you do not get anything done under the table around here.

Mr. Charlton: If it is to be by way of expenses, we know that most members of the board and of the Department of Agriculture get travelling expenses now. What other expenses would they have?

Mr. Gardiner: I suggest there is no use of our discussing that question here, because neither of us can settle it. The point that is important here is that authority is given to the governor in council to do something that is absolutely essential.

Mr. Charlton: As I see it, the two subsections are absolutely opposed to each other. One subsection said more cannot be given, while the other subsection says something different.

[Mr. Gardiner.]

Mr. Gardiner: No; one deals with officials and the other deals with members of the board, who may not be official. There are other members who think that there ought to be members on the board who are not officials. At the present time I do not think we need any; but if it should develop that we did, it would give us authority to make the appointment.

Mr. Wright: I appreciate that in discussions which take place between the advisory committee and the board there may be certain confidential information given to the board. There may be arguments the government may use to the board that they do not want to have used by the advisory committee. But I am still of the opinion that unless these advisory committees are able to go back to their producers and give a fairly accurate résumé of the discussion which has taken place between them and the various boards they meet, the growers of the particular product an advisory committee represents are not going to be satisfied.

This argument has been brought to my attention often, that an advisory committee is being tied by the discussions in such a way that, because they think what they have been talking about is of a confidential nature, they are not free to come back and give a full report of what the conditions actually are.

I am all for these boards, and for this method of handling our agricultural products; but we want to see it done in such a way that the confidence of the growers can be maintained. The only way they can be operated successfully is to maintain the confidence of the growers in connection with the methods being used. That can be done only when these advisory committees are free to come back and discuss with the producers the arguments used both by the government and by themselves in the presentation of the case to the board.

Section agreed to.

On section 4—*Powers of the board.*

Mr. Charlton: What has the minister in mind in paragraph (e) where it refers to storing, transporting or processing, or entering into contracts for the storing, transportation or processing of agricultural products? Has the minister any idea as to what the board may do in connection with marketing some product that must be processed before it is marketed? Or does he want to have that provision in there only because he might wish to use it some time?

Mr. Gardiner: As has been said, the only product we are handling at the moment is butter. When butter enters Canada it has to

be stored. It comes in in bulk, and has to be processed to the extent of having it put into pound packages. That could be considered processing.

That is all the paragraph refers to—that kind of thing that must be done in connection with the actual handling of a product.

Mr. Charlton: Is there anything else in the minister's mind? After all, packaging butter is not processing it.

Mr. Gardiner: We have no intention under this measure of going into the packing house business, if that is what the hon. member has in mind. It is just simply a matter of making arrangements to have a product stored.

Mr. Charlton: Then perhaps the minister has other services in mind?

Mr. Gardiner: Only in so far as they are authorized to buy. For instance, if the British were to come here and say, "We want pork products, and we would like this board to buy them for us", we would probably go to the packing houses who are receiving pork from all over the country, and say, "Here is the price you can have, the price which has been offered for it;" and we would see that the transaction was carried through. In that way we would make arrangements to have the product frozen and stored and shipped, as would have to be done. But all the cost of that would be borne by somebody else, not by this board.

Mr. Charlton: I do not quite understand what the minister means.

Mr. Gardiner: The board would do what the purchaser decided he wanted to have done. Whatever he wanted done he would have to arrange payment for. But the board would act in seeing that it was handled through the usual facilities.

Mr. Charlton: The board themselves would not do it.

Mr. Gardiner: No.

Mr. Charlton: They would have the processor do it?

Mr. Gardiner: Yes.

Mr. Charlton: What has the minister in mind in connection with this section of the bill? Ordinarily the board would not do it themselves. They would have the processor do it, would they not?

Mr. Gardiner: They would have the authority to store it, for one thing. That is part of the process of transferring it from the producer to the consumer. Then they would have authority to pay for transport, and to enter into a contract for the storing, transporting or processing of the agricultural products. They would enter into those contracts on behalf of whoever was purchasing the pork. The government would not be purchasing it. It might be the government of some other country, or a buyer in some other country. But they would be paying for it, not this board.

In actual fact they would handle the financing, but they would get their money from elsewhere.

Mr. Charlton: This board has the power to go out and buy goods, build huge factories and process the goods themselves?

Mr. Gardiner: If you will read the act you will see that this board really has no power to do anything. Someone was saying a moment ago that if this was just a matter of leaving power in the hands of the government they did not think very much would be accomplished. Well, that is what it does do. The board will not get any instructions under the bill to go into the packing house business.

Mr. Charlton: I have one further question in connection with subsection 2 which states:

> The authority given by the governor in council and the direction given by the minister to the board pursuant to subsection one may be given generally or in any specific case or with respect to any particular matter.

Could the minister state where he would give a general order? Why does he want the word "generally" in the subsection? Ordinarily you would tell the board to go out and buy butter or cheese, but what would the general order be?

Mr. Gardiner: Probably I should not put it this way, but that is not something that I wanted in there. You know, there are people, and naturally so, who want to place a little restriction on the minister and that section pretty well does that. If you read it carefully you will see that it is the governor in council that does the instructing. I do not think there is going to be any instruction given which can be criticized in any way.

Mr. Charlton: I do not see any restriction upon the minister in that section. It reads:

> The authority given by the governor in council and the direction given by the minister—

That puts the minister in the same spot as the governor in council.

Mr. Gardiner: You have to read that along with subsection 1.

Mr. Charlton: That reads:

> Subject to the regulations, the board may, with the authority of the governor in council and under the direction of the minister . . .

That is a separate part.

Mr. Gardiner: The minister is giving the directions as from the governor in council and he can give them in general or in specific terms.

Mr. Charlton: Subsection 2 reads:

> The authority given by the governor in council and the direction given by the minister to the board pursuant to subsection one may be given generally or in any specific case or with respect to any particular matter.

The minister could give a general order to go out and buy all the agricultural products across the country.

Mr. Gardiner: I do not intend to, and I am quite sure the government would not give me the authority to do that even if I did.

Mr. Charlton: I am not saying the minister intends to.

Mr. Gardiner: You do not know the government.

Mr. Argue: The main reason the government could not do that is that they have only $15 million. I do not think you could buy up all the agricultural products in Canada with $15 million. This particular section seems to me to be the whole core of the bill. It provides that the board, directed by the government, may buy products in Canada. I have said already in this discussion that I think floor prices are exceedingly low, in particular floor prices under eggs and hogs. They should be increased and increased substantially. I think the minister should tell the committee and the country whether this board during the coming year will be in a position to buy agricultural surpluses, including those of eggs, hogs and butter. I think it is time a definite announcement was made as to what support will be given to bacon and egg prices in the future.

I certainly do not agree that the present floors are sufficient, but I think the very least the government could do with any of these floor prices is to maintain them.

Mr. Gardiner: As hon. members know, there have been different methods followed in securing for farmers reasonable prices for their products. The floor price method is one, and that is followed in connection with butter. It has been followed in connection with pork products. I must say that at no time since we started to follow that policy under the Agricultural Prices Support Act have we found it possible to purchase any pork products. We started out with the position that the level of prices previously paid by the British government would be augmented—I am speaking just from memory—with a subsidy of $3 paid by the government.

At the end of that period we undertook to continue a floor of $32.50 on Wiltshire sides, and that still exists. There has been no indication from the government up to now as to when it may be discontinued. There is no date limit. It is set at $32.50 basis Wiltshire sides at Montreal. There has been no sale for Wiltshire sides at $32.50 since the floor price was placed on. Any price offered was considerably below the price at which pork was being sold in this country.

In spite of the fact that there have been no purchases, during that whole period there have been only one or two days—I would have to check the records in order to determine how many—when the price was below what we figure would be a proper relationship between the $32.50 and the price of pork. It just so happened that that was very recent. We have a standing offer to buy at a rate which is represented by the $32.50 for Wiltshire sides. I speak subject to correction, but I think that works out to about $27.50 at Winnipeg. It is true that the price was down for a day or so to $26.50 or some such figure, but I have no doubt that the fact that there was an offer to buy around the other price resulted in the price going back to where it was, $27.50. It has gone even higher than that.

If it were necessary to buy up that product the government might say to this board, "You buy it and turn it over to some purchaser, whether it be the British or someone else." That would be the natural thing to refer to this particular board. But for the last two years we have not had any of it offered at that price.

We do not follow the policy of establishing a floor price as on pork in connection with eggs. Two years ago we came to the conclusion against the opposition of many people that we could serve the poultry producers, and particularly the egg producers, much better by simply taking part of the risk out of handling eggs. When the British stopped buying eggs two years ago the price went down to sixteen cents a dozen in some parts of Canada. At the end of the six weeks when the market was open we said that at the end of the year we would take all the eggs in storage at 38 cents a dozen. We told the trade and the producers to go ahead and handle their own affairs, but at the end of the season we would take the eggs in storage at 38 cents a dozen. Eggs have remained above 38 cents all the time.

I must say that at times there has been far more criticism of the heights to which they have gone than there has been of low prices since. A year ago when the question was up for consideration those who represent the producers and handlers of eggs came to my office and unanimously asked us to continue the same policy for another year. We did so.

I was waiting for an appropriate time to be able to announce what we are going to do in the coming year, and I think this is as good a time as any. We have had representations again this year from all across Canada, and the question was fully discussed at the agricultural conference held in December. The vice-president of the Canadian Federation of Agriculture, speaking for the federation because the president was not there, said definitely they were of the opinion that the price should not be set at less than 38 cents. Of course he would not object to its being set higher, but it was their considered opinion that it should not be set at less than 38 cents, or in other words that we should not lower it. That was on the very day eggs dropped 12 cents a dozen in Ottawa. Those representations were after they had dropped 12 cents.

What we have decided to do is continue the same policy for 1952 as we had through 1950 and 1951; namely, at the end of the season we are prepared to buy all "A" large eggs which are in storage at Montreal on a basis of 38 cents. The prices range up and down across Canada from there. Therefore we are not changing the policy at all, and we think it would be bad practice to change a policy which has worked so well as the one I have been discussing. In order to indicate how well it has worked I want to point out that the average wholesale price of grade A large eggs at Montreal in 1943 was 45 cents a dozen. In 1944 they sold at 41 cents a dozen, and in 1945 at 43 cents a dozen. The average for the first eleven months of 1951 is 67·4 cents per dozen. That is not bad, of course; and that is under the policy we are now following. I might say that at present the price is 55 cents.

In order to give the whole table at one time I think I might just as well continue. The figures for cheese, No. 1, are 1943, 22 cents; 1944, 21 cents and 1945, 21 cents. The average for the first eleven months of 1951 is 37·5 cents. I would point out that the question raised by the hon. member for Brant-Wentworth a few moments ago is involved there. Cheese is now handled under a producers board in the province of Ontario, and of course we would not interfere in any way with that handling. As a matter of fact we have not only co-operated with them but advised very strongly that it be handled that way. The figures for butter, No. 1, are 1943, 36 cents; 1944, 36 cents, and 1945, 37 cents. For the first eleven months of 1951 they run from 61·6 to 68 cents a pound.

Then I come to whole milk prices to farmers at dairy, per hundredweight. The exact figure for 1943 is not here, but for 1944 it is $2.50 and for 1945, $2.50. For the first eleven months of 1951 it averages $4.32. For B-1 hogs the figure for 1943 is $16.94; 1944, $17.25 and 1945, $18.20. For the first eleven months of 1951 it is $33.88 per hundredweight. For fancy B.C. McIntosh apples the figure for a 42-pound box for 1943 is $3.36; 1944, $3.07, and 1945, $3.46. This is the first product for which the price was lower in 1951 than in the three years at the end of the war. It is $2.94, but I would remind the committee that in that period the government was giving considerable assistance, because of conditions that existed during the war, in order to bring about the prices to which I have referred.

Then I come to potatoes. For 1943 the figure is $2.26; for 1944, $2.33, and for 1945, $2.57. For the first eleven months of 1951 it is $2.19, but at the present time it is $4. I could review the prices at the present time for the others, but only in respect of potatoes is there sufficient variation from the average for the first eleven months of 1951 to make any considerable difference in the answer that might be given to these questions. That is the present position, and I would only say in conclusion with respect to eggs, about which I was specifically asked, that we think the policy we have followed for the last two years, and which has brought about the results I have indicated, is not one from which we should lightly depart in so far as the interests of the producer are concerned.

Mr. Bryce: I should like to ask the minister a question.

Mr. Gardiner: As a matter of fact I might say that the hon. member for Melfort asked for all the figures with respect to the first three years I have mentioned, and I added the others.

Mr. Coldwell: Will you put the whole table on the record?

Agricultural Products Board

Mr. Gardiner: Yes. The table is as follows:

(1) Commodity	(2) Unit	(3) Average Wholesale Market Price at Montreal			(4)	
		1943	1944	1945	Average 11 months 1951*	Latest quotation
		$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
(a) Eggs Grade A Large	dozen	0.45	0.41	0.43	0.674	0.55 Dec. 11
(b) Cheese No. 1	lb.	0.22	0.21	0.21	0.375	0.37 Dec. 15
(c) Butter No. 1	lb.	0·36	0.36	0.37	0.616–0.68	0.665 Dec. 15
(d) Whole milk price to farmers at dairy	cwt.	.....	2.50	2.50	4.32	4.50 Dec. 15
(e) Hogs—B1 carcasses	cwt.	16.94	17.25	18.20	33.88	29.60 Dec. 12
(f) Fancy B.C. McIntosh apples	42 lb. box	3.36	3.07	3.46	2.94	none
(g) Canada No. 1 N.B. Potatoes	cwt.	2.26	2.33	2.57	2.19	4.00 Dec. 15

* Are average of monthly prices,—not weighted average.

Mr. Bryce: The prices the minister has quoted are dealers' prices. They are not the prices to the producers. Am I right?

Mr. Gardiner: They are wholesale prices.

Mr. Bryce: Have you the prices the producers received? That is what we are really interested in. We are not interested in what the dealer gets.

Mr. Gardiner: I am sure the hon. member for Selkirk, who is a practical farmer and who delivers products to the Winnipeg market, will readily agree when I say it would be absolutely impossible for me to go across Canada and get the prices at which these products are sold in every community. It just could not be done. There are, however, estimated averages worked out which are available, and they bear a reasonable relationship to these prices.

Mr. Bryce: I do not want to take up the time of the committee, but why continually look after the dealer? Look after the man who is producing the goods.

Mr. Argue: I was very pleased indeed to hear the minister's announcement that the government is going to continue the present support prices for eggs and bacon for another year. I am only sorry the minister and the government have not agreed to increase the floor price.

Mr. Gardiner: Before the hon. member goes on I should have said, and I want to say it now, that the floor price for butter was set last year for two years. In the meantime we increased the amount we were offering from 58 to 63 cents. That has been allowed to run indefinitely, and we have not received butter. We got about 280,000 pounds at that price, and that is all. The price of 63 cents has run along to date.

Mr. Argue: I am glad to have the minister's further explanation. As he said, the figures he gave the house are averages of the prices prevailing throughout the year. The difficulty with them is that while they appear fairly high, the price for hogs, shall we say, is high when hogs are not coming on the market, and in the fall period when they are coming on the market you have a lower price. A much better policy for agriculture would be a floor price raised or lowered from time to time as farmers' costs of production go up or down. If there were a more adequate floor price for eggs I do not think we would see egg prices reaching the high peaks they have reached over the last year. If the government raised the floor price, it would thereby stimulate production, and that increased production would stop egg, hog, and other prices from going very high. The price the minister has stated is an average price over the year. But for the farmer, the price he receives is highly fluctuating and highly unsatisfactory. In the Saskatoon *Star-Phoenix* the other day I read that the quoted price for grade A large eggs is now 38 cents in Saskatoon. With the floor

price of 38 cents a dozen for grade A large eggs at Montreal, that 38-cent price at Saskatoon can go down a good deal further. After other expenses are deducted the price to the Saskatchewan producer can probably go down to as little as 20 cents a dozen, with the present floor price.

Once again I say that, as far as I am concerned, I am glad the government is staying in the price support field. My only wish was that the prices had been adjusted to take care of the increased cost of production since 1943-45. In those years, 1943-45, because of the British contracts the price for hogs averaged out to $22.25 for Wiltshire sides. Since that time, on the minister's own statement, the cost of production has gone up by 60 per cent. If the farmer is to have the same comparable floor today the price should be $35 or $36 a hundred for Wiltshire sides, with a further increase in the premium. Under the present floor or support price there is no incentive for the farmer to go into the production of hogs, if in the future—as happened this year—the price is going to drop 25 or 30 per cent when the farmer is sending his hogs to market.

Mr. Charlton: I should like to add something further to what the hon. member for Assiniboia has just said with regard to floor prices. Now that we are on subsection 5 of section 4 I guess we can say something about floor prices. The floor price of eggs is absolutely no guarantee at all to the producer of eggs. The only thing it guarantees is that the buyer of those eggs from the producer will get 38 cents plus his storage costs. The plant that buys the eggs from the producer can pay the producer whatever it pleases. It can pay him 20 cents. Still there is no guarantee by this government to the producer of eggs; not a particle.

The minister made a statement with regard to the average prices of products. The average over a year does not mean a thing. As the hon. member for Assiniboia has just said with regard to hogs, when they are high in price, none are coming on the market or if there are, they are few in number. Then when there is a flood of hogs coming in, the price is low. The average is not figured on the basis of how many hogs are coming in. Average prices do not actually mean a thing to the producer. Hogs and eggs are what you might call perishable products. I do not mean to say that the hog is going to spoil if you keep him an extra week. What I mean is that if the producer keeps a hog past the weight when it should be marketed, he is docked probably $5 for doing so. The hog has to be marketed at the time it is of the correct weight, just as the egg has to be marketed when it is fresh. It cannot be kept by the producer for a couple of weeks until the price goes up. Just this fall, at sales or in similar places, I heard a great many producers and farmers make the statement that they were through producing eggs and hogs for that very reason, namely that they had nothing to say about the prices they received, and the product had to be marketed at a particular time.

As to beef cattle or dairy cows, you do not have to sell them today or tomorrow; you can keep them for a month if you want to, or for a year. But as I have said, the situation still is that, as to hogs and eggs particularly, those products have to be marketed at the time they are ready to go to market, and they cannot be held. Therefore, as I have said, the average price does not mean a thing.

The farmers in this country want floor prices. The government is maintaining floor prices on some products, even though we feel they are too low to keep production up to a point which we think is safe even for Canada. Along with that floor price we will accept the ceiling. As producers we think it is a good idea not to have prices go too high because if the price of a product goes too high, the consumer will be forced into another market, an event which is actually to the detriment of the producers of that particular commodity. If the farmers or producers of the country are to be put in that position, then why should not other classes of the community be placed in the same position? In effect this government is guaranteeing, by tariffs, a floor price to industry. Nobody can argue that point. There is a guaranteed floor price to industry across the country. But does the government hold the ceiling? No, there is no ceiling on those products. Yet there is a ceiling, or a practical ceiling, on farm products. When the government puts both classes in the same category I think the farmer will be happy.

Mr. Quelch: Mr. Chairman, I want to say a few words with regard to paragraph (e) of section 4. We have heard a great deal lately from officials of FAO to the effect that the production of food in the world is barely keeping up with the increase in population; and they are calling for the highest possible production of food by the various nations. Is the government anxious that the farmers of this country increase their production of food to the highest level, that is, along special lines? If the farmers do that, have they any assurance that, if any surpluses occur the government will find a market for them? If that surplus is of a commodity that is

perishable, have they any assurance that the government will then provide for storage or for the processing of that commodity so it can be kept over until such time as it may be made available to a nation that needs it?

The minister may say that the United States did a good deal of that sort of thing last year, and that some of the products that were processed deteriorated on their hands. That is true; but the United States did not make those commodities available to many nations that would have taken them, provided ways and means had been worked out to make the transfer. Last year FAO faced that problem. A special committee was set up to find ways and means of making this surplus available to nations that required it, and it proposed an international commodity clearing house. Canada voted against that proposal. If I remember rightly the Minister of Agriculture was one of the delegates who voted against that proposal; and one of the reasons he gave was that there in that proposal nothing that could not be carried out by Canada on her own as an individual nation. So we come back to the question: in the event of any surplus occurring, is Canada prepared to find ways and means of getting that surplus food to the nations that require it, even though we have not the type of exchange we want in return? Again I come down to the point: is the government today asking the farmers of this country to expand their production to the highest level possible with the guarantee that if they do so they will not be penalized by having surplus goods left on their hands?

Mr. Gardiner: Mr. Chairman, I do not know that I would speak on the question were it not for the fact that at least two or three members have made much the same statement just made by the hon. member for Acadia. The fact is that from the time FAO was first set up the government of Canada supported Sir John Orr in his proposal, which was along the lines of the suggestion which has been made by the hon. member for Acadia and others. I believe that on two occasions, probably three, I was the representative of this country and the government's position was clearly stated as being favourable to Sir John Orr's proposal. Then there was the Washington meeting to which reference has been made. I have not given the answer at any time that Canada could do the job as well herself.

The statement I did make had to do with wheat, and it was to the effect that Canada had carried 600 million bushels of wheat throughout the last half of the war, and not at the cost of Canada but at the cost of the wheat grower. My statement was that if 200,000 farmers in Canada could carry 600 million bushels of wheat, surely a group of nations could carry the comparatively small amount which they would be required to carry in order to take care of the surpluses that might occur elsewhere. It was that argument that we advanced. In the face of that argument the countries that were most capable of financing any such proposition refused to do so. All Canada ever did in the matter was to say that it would be an impossible position for Canada to head a group of nations who would find it impossible to finance such a proposition, so Canada could not vote for something she could not possibly carry out. Canada voted against that. We still maintain that if all the countries of the world, and particularly those most capable of financing, wish to follow such a plan, then Canada would be in a position to consider the matter again and express her point of view with regard to it. But so long as the situation is that those who might be expected to do the greater part of the financing are opposed to it, Canada certainly is not going to step in and try to finance alone the feeding, let us say, of the suffering people in China. That is all that has been said. The position Canada has taken from time to time has made that quite clear.

We are saying to the farmers of Canada, go ahead and produce for the markets that are available. The farmers are doing that rather successfully, and they are getting a fair return for what they produce.

Mr. Wright: I am very pleased indeed to have that statement about Canada's position, because I am afraid the minister's position with regard to the Washington meetings has been misinterpreted.

Mr. Gardiner: My statements have always been misinterpreted by certain people.

Mr. Knowles: Whose fault is that?

Mr. Wright: Whose fault is that? If the minister reads his own speech he will find it is not very clear.

Mr. Harkness: The minister often misinterprets himself.

Mr. Wright: The minister has made a statement in this house that in the setting of floor prices—if the minister would talk to me instead of someone else—

Mr. Gardiner: I have heard what you have to say so often that I know what you are going to say.

An hon. Member: The minister made a statement in Regina.

Mr. Wright: He says too much where he should not say it, and not enough where he

should. The minister made a statement in this house that in the setting of floor prices the government had regard to the prices which obtained between 1943 and 1945. Just a few minutes ago the minister put certain figures on the record, and I have some figures here in the form of a return. These figures show that in the years 1943-45 grade A eggs averaged 43 cents a dozen. The minister has told us that the government has set a floor price for the packers or buyers of those eggs—

Mr. Gardiner: That illustrates exactly what I said a moment ago. My friend is misinterpreting me—

Mr. Wright: Is the minister making a speech or stating a point of privilege?

Mr. Gardiner: I am speaking to a point of privilege.

Mr. Wright: Then perhaps you should say so.

Mr. Gardiner: I just stated that there is no floor under eggs. We are not setting a floor price there, from day to day as we do for butter. We are saying that we will buy any eggs that are in storage at the end of the year at 38 cents a dozen.

Mr. Wright: You are buying eggs at the end of the year that the packers may have in storage, or that anyone else has in storage, at 38 cents a dozen. In effect, that is setting a floor for the packers or the other people who have their eggs in storage.

Mr. Gardiner: Including the member for Melfort, if he has any.

Mr. Wright: There is no doubt about that, because you say you will purchase them at that price. This price bears no relationship to the statement that the 1943-45 period will be used in establishing floor prices for agricultural products. If the floor were established on that basis, the average price for those three years was 43 cents so the floor would be at least 60 per cent higher than that.

The minister has made the statement that he listened to the representations of the egg producers. He indicated to this house that they were satisfied with the 38 cents the government guaranteed to the packers at the end of the year. Did those people who made the representations on behalf of the producers not ask for anything more than that? Were they satisfied?

Mr. Gardiner: They did not say anything about the packers at all. We did not guarantee the packers.

Mr. Wright: That is not the question I asked. Were they satisfied with the 38 cents guaranteed to the packers?

Mr. Gardiner: You said more than that.

Mr. Wright: I am asking for an answer. Since there is no answer, I take it that the producers were not satisfied. But they would be satisfied if the minister put into practice what he stated should be the guiding principle of setting floor prices, that is using 1943-45 as a guide.

In this statement he has given me it says that British Columbia McIntosh apples averaged $3.25 a box during that period. When it came time for the government to put a floor price under apples they certainly did not use the 1943-45 formula. The statement shows that Canada No. 1 potatoes averaged approximately $2.40 during that period. If my memory serves me correctly, when the government placed a floor under New Brunswick and Prince Edward Island potatoes it was approximately 75 cents, and did not bear any relationship to these figures.

In this return which I have in my hand the support price in December of this year for Wiltshire sides at Montreal is quoted at $31.04. I want the minister to tell me just how the disparity arose between the $32.50 which he has been quoting and the $31.04 which is shown on the return.

The Chairman: Shall the section carry?

Mr. Wright: No, I asked the minister certain questions. I want to know if he can explain these differences.

Mr. Gardiner: I do not think I should have to answer the question three or four times.

Mr. Wright: The minister has never answered this question, because it is the first time I have asked it.

Mr. Gardiner: If my hon. friend will read the statement I made a few moments ago he will find an answer to all the questions he has asked. When he asked for that return, if he had asked for all the information he is now asking about, he would have got that information. That was not what he asked for. He asked for prices, which would make it possible for him to use certain arguments. I have given the committee that information and it will be on *Hansard*, and I feel it will answer all that has been said with the possible exception of the reference to potatoes and apples. I might say in that regard that the price received by the producers of apples in those war years was to a very large extent the amount which was put up by the government to support the price at that time for certain reasons, as I indicated.

The other matter is quite different. In concluding my remarks on it I might answer what has been said and what was said previously by just reading what has been decided on the other side of the line. My friends have

been saying that we ought to do the same. Here is what they decided and announced on November 30, very recently:

> Promising as much help as possible, the department said it would be prepared to support producer prices of corn, cotton, wheat, rice, soybeans, wool, milk and butterfat at maximum levels permitted by law. That level is 90 per cent of parity.
>
> However, no supports were promised for hogs, beef cattle, poultry, eggs and other perishable products. None of these products is being supported this year.

I just read that in order to give the latest information that is available on it in order to indicate that the policy which is being advocated by some was followed in the United States, and they have come to the conclusion that they cannot carry on with that policy with perishable products any further. The products we are discussing here this afternoon are largely in that class. If I may say so, our policy has worked out better than the policy followed in the United States.

Mr. Wright: In answer to that I would just say that in Canada we have not one agricultural product at the present time supported by a parity price. At least they have a few in the United States, the major products. The minister still has not answered my question as to whether the representatives of the egg producers asked for anything more than the 38 cents guaranteed to the packers or others who had eggs to deliver at the end of the year.

Mr. Gardiner: Some asked for 42 cents the year we first set it at 38 cents, and we set it at 38 cents. They all came back at the end of the year and said it had worked satisfactorily, and asked us to re-establish it just as it was. A few people have been writing in this year and saying that it should be 42 cents, and actually a few had it up to 43 cents. But in so far as the general producers and handlers of eggs are concerned, no general representation has been made that it should be changed, and we are leaving it as it is.

Mr. Fair: After listening to the discussion during the last ten or fifteen minutes I should like to ask the minister whether I am correct in assuming that at the present time there is no producer floor price for eggs?

Mr. Gardiner: There is a system which is being followed in handling eggs which has resulted in the farmer having the highest price for his eggs in the last eleven months that he ever obtained in any eleven months of any year.

Mr. Fair: That is all gone by. What of the future?

Mr. Gardiner: It is not a matter of how it is done; it is a matter of what results from what is done.

[Mr. Gardiner.]

Mr. Fair: There is no guaranteed floor price for the producer for the remainder of the present year? That would be correct, would it not? There is no reply.

Mr. Gardiner: It would not be correct.

Mr. Knowles: Does this section of the bill or any other section give the agricultural products board power to be the exclusive importer of butter from abroad?

Mr. Gardiner: The government has authority under other measures to take that action, and the government has taken it.

Mr. Knowles: That is exactly the point that is in my mind. I take it from the minister's avoidance of my direct question that there is no power given in this bill to the agricultural products board to be the exclusive importer of butter; but it so happens that by an order that became effective on August 1, 1951, that is the situation at the present time. The minister now tells me that that action was taken under other powers enjoyed by the government. I gathered from what he said earlier in the debate today that that power is derived from the Emergency Powers Act which was passed at the last session of parliament. It now appears, Mr. Chairman, that the government is already doing, without this bill, more than it is going to be able to do under the bill. I begin to wonder what the reason for the bill is, if that is the situation.

I would be glad if the minister would pursue the other question a little further and explain it to me. For example, I hold in my hand a copy of *Foreign Trade*, a publication put out by the Department of Trade and Commerce. This is the issue of September 22, 1951. I read a bit from page 415:

> In addition to the purchases of butter by the agricultural products board, the trade has been given import permits for approximately 4½ million pounds of butter from certain European countries, because contracts had been made by the trade prior to August 1, the date on which the government took control of the imports of butter.

Was that done by the agricultural products board? Was it done on the advice of the Minister of Agriculture, or was it done on the advice of the Minister of Trade and Commerce? What is the relationship between the way in which the agricultural products board seems to have been working when it has not had a statute, and the way it will now work when this statute is passed?

Mr. Gardiner: The position in relation to these matters is exactly as I stated it at the beginning. In the first place, I stated to the house on the resolution that we are asking the house to put in the form of legislation the same authorities and powers as were taken

under the order in council which was passed under the special powers given to trade and commerce last year.

Mr. Knowles: There has been a gap—

Mr. Gardiner: Wait, and you will get an explanation of it. We certainly believed that we had the authority to pass it and we had the authority to operate under it. But we anticipated that if we came to this house and reported that by order in council we had done so and so, and it had to do with something we might desire to continue to do, the house itself would suggest that it ought to be put in the form of legislation passed by this house. Therefore it has been put in the form of legislation and brought here for the house to pass or turn down as it sees fit.

The present position is that the board is buying the butter. It could be purchased by some other authority under the terms of other legislation, but the government has decided that it should be purchased by this board so long as the board is there. Up until the time this legislation passes it is done under the order in council. If this house were to refuse to pass this bill then I suppose consideration would be given to doing away with it altogether. But as soon as it is passed the authority which is now exercised by the board under order in council will be exercised under legislation.

Mr. Knowles: In other words the board expired when the previous statute lapsed on March 31, 1951. The board has not yet been reconstituted by an act of parliament. In the meantime I take it the board has enjoyed its existence by virtue of an order in council passed under the Emergency Powers Act.

Mr. Gardiner: It was legislation passed by this house.

Mr. Knowles: On whose recommendation was that order in council passed?

Mr. Gardiner: I believe it was on a recommendation from my own department. Probably it was signed by me, though I am not sure whether I was here at the time. It was either signed by me or by the acting minister. It was submitted to council and agreed to, so it is the product of the mind of the whole council.

Mr. Knowles: During this interval that the board has enjoyed its existence not directly on the basis of a statute but on the basis of an order in council, it appears to have been under the aegis of the Department of Trade and Commerce. Will it be there after this statute passes?

Mr. Gardiner: As I remember the terms of the legislation, it gives authority to have certain things done in, I believe, any department of government, and under that legislation this particular thing was done in the Department of Agriculture.

Mr. Knowles: I wonder if the minister is sure of that.

Mr. Catherwood: The minister has said that the board would act on the recommendation of the government. I trust it will act on the recommendation of the advisory board, as well. Will the minister assure the committee that in connection with the importation of farm requirements the board will work in conjunction and co-operation with those who have been importing farm products, and who know the extent to which these products are required?

Mr. Gardiner: I did not catch the last part of the question.

Mr. Catherwood: Is the board to work in conjunction with those people who have been carrying on the importation of farm goods over the last number of years? Would this board work in conjunction with them in connection with importations of seed and other farm requirements? I understand the board would not in any way interfere with importations that have been in effect in the past?

Mr. Gardiner: I am quite satisfied the board will not in general interfere with those who are importing products into this country. But where there is no other authority doing the job to the satisfaction of those who desire to have it done, the government can assign that the work be done by this board.

Section agreed to.

Section 5 agreed to.

On section 6—*Penalties.*

Mr. Charlton: This is the penalty section, and I should like to read it:

> 6. (1) Every person who violates an order of the board made pursuant to paragraph (d) of subsection one of section four is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both fine and imprisonment.
>
> (2) In any prosecution under subsection one evidence of an order of the board may be given by the production of a copy thereof purporting to be certified to be a copy by the chairman, vice-chairman, secretary or other official of the board.

My contention is that a fine of $500 or imprisonment for six months, or both fine and imprisonment, is too heavy for the ordinary producer. It may not be heavy enough, however, for some processor. Although the expression is "not exceeding $500" it is possible for a producer to be fined

that much. For instance a producer may be holding a few hundred dozen eggs, a few tons of honey, or a small quantity of various other products, whereas a processor may be holding thousands of dozens of eggs or thousands of tons of honey. Therefore I move in amendment, seconded by the hon. member for Middlesex East (Mr. White):

That section 6 be amended as follows:

(1) that all the words after the word "conviction" in subsection (1) to the end of the subsection be deleted, and the following substituted therefor:

(a) in the case of a producer, to a fine not exceeding $300 or to imprisonment for a term not exceeding three months, or to both fine and imprisonment.

(b) in any other case, to a fine not exceeding $1,000 or to imprisonment for a term not exceeding six months, or to both fine and imprisonment;

(2) that the following be added as subsection (2):

"If a corporation is guilty of an offence under this act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence."

(3) That subsection (2) of the said section be renumbered subsection 3.

That is taken in practically the exact words from the Canadian Wheat Board Act. Therefore I suggest there is nothing in the wording that would be objectionable to the Department of Justice. I have a copy of the Canadian Wheat Board Act, if the Minister of Justice would like to check it. I would be happy to let him have it, so long as it is returned to me.

Mr. Knowles: I take it that the reference is to the word "conviction" as it appears in line 34. Perhaps the amendment should be so worded.

Mr. Charlton: Yes.

Mr. Gardiner: Mr. Chairman, we are prepared to accept the amendment as suggested.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 36, to amend the Combines Investigation Act.

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

Some hon. Members: Carried.

Mr. Graydon: Just a moment, Mr. Speaker; just a moment.

[Mr. Charlton.]

Mr. Garson: Mr. Speaker, I never like to disappoint the hon. member for Peel (Mr. Graydon), so if he will take the responsibility for what I am now going to inflict upon hon. members I shall be glad to make a statement in this matter. In view of the importance of the bill now under consideration I think in fairness to those who will take part in the debate later I should begin by tracing briefly the different steps which have led up to this matter which is now before us at this stage.

In June of 1950 a committee, which has come to be known as the MacQuarrie committee, was appointed to study the whole field of combines legislation and to recommend what amendments, if any, it thought should be made in order to make the combines act a more effective instrument for the encouragement and safeguarding of our free economy. Hon. members can see from the terms of reference that the committee's authority was as broad as it possibly could be. The committee in beginning its work by soliciting representations from various trades which were concerned and from individuals, drew attention to what had been said about the subject of resale price maintenance by the royal commission on prices in 1949, and it invited from organizations and individuals, in the light of the findings of that royal commission in 1949, their views upon this subject. Far from this bill having been thrown together very hastily and in an ill-considered manner at the last minute, as some of its opponents have suggested in committee, it deals with a subject matter which was considered carefully by the royal commission on prices in 1949 and referred to in its report, which report was then fully considered by the MacQuarrie committee, which in its proceedings in 1950 and 1951, expressly requested information and representations from the various trades concerning resale price maintenance.

This subject matter emerged in the speech from the throne as an item of government policy after we had asked the MacQuarrie committee in the late summer of 1951, when its general report had been held up by the magnitude of its task and some delays in receiving representations, whether it could give us a special interim report upon the subject of resale price maintenance which would be interim only in the sense that it was delivered before its final report, but which would be final so far as the subject of resale price maintenance was concerned.

The MacQuarrie committee replied in the affirmative, and made its report available in early October. The report of the committee,

which has come to be known as the MacQuarrie report, recommended against the practice of resale price maintenance, and in particular, recommended that it should be an offence for a manufacturer, first, to recommend or prescribe minimum resale prices for his products and, second, to refuse to sell, to withdraw a franchise or to take any form of action as a means of enforcing minimum resale prices.

The committee did not recommend that it be made an offence to prescribe resale prices which are not specific or minimum prices, from which it follows that suppliers would be free to fix and to enforce maximum prices. Nor did the committee recommend against the right of a manufacturer to indicate a resale price as long as such price was not recommended or prescribed as a minimum. In addition, the MacQuarrie committee went on to make some observations on the subject of loss-leader selling, a subject with which I shall deal later.

Perhaps at this point I should define resale price maintenance. It is most important in dealing with this whole subject that we should have a clear understanding as to just what type of resale price maintenance we are dealing with in the context of this bill. There are two kinds of resale price maintenance. First, rival suppliers, whether manufacturers or distributors, may agree among themselves to maintain prices of comparable articles at agreed levels at various stages of distribution. This is commonly referred to as horizontal resale price maintenance and, generally speaking, it is already an offence under the Combines Investigation Act. That is to say, it takes place largely horizontally, as it were, among all the dealers in a certain trade.

The second kind takes place when a single manufacturer prescribes the prices at which his goods are to be sold or resold at the various stages of distribution. That is, he steps down out of his own level to suggest to those at either a lower or higher level, depending on one's viewpoint, the basis at which they can sell or resell his goods. Therefore this type of resale price maintenance is commonly referred to as vertical resale price maintenance, as distinguished from the horizontal type to which I referred a moment ago.

This vertical resale price maintenance may or may not be forbidden by the present terms of the Combines Investigation Act, depending upon the particular circumstances of the case which comes before the courts. In most cases, however, it will not be illegal under the act as it now stands. It is this latter type of vertical resale price maintenance which the MacQuarrie committee studied and reported against, and with which the bill now before us is concerned.

The interim report of the MacQuarrie committee on resale price maintenance was made, as I have said, early in the month of October. The speech from the throne delivered on October 9 contained the following paragraph:

> The government has received an interim report from the committee studying the combines legislation recommending that suppliers of goods should be prohibited from requiring or inducing distributors to resell such goods at fixed or maximum resale prices. You will be asked to consider legislation arising out of the committee's interim report.

The speech by the Prime Minister (Mr. St. Laurent) on the address in reply to the speech from the throne and the radio broadcast I made over a coast to coast hook-up also made it clear that we accepted this report and were prepared to act upon it. I maintain, in the face of some of the contentions which have been made to the contrary, that the position of the government has been crystal clear at all stages of this matter. We accepted the MacQuarrie report and proposed to act upon it at this session.

It is quite true, of course, that following these announcements representations were received from a large number of trade associations as well as from individual manufacturers and merchants all across Canada, large and small, to the effect that in their opinion the prohibition of resale price maintenance would very seriously affect their businesses. They felt that it would be most unfair to proceed with this prohibition of resale price maintenance until they had an opportunity to be heard before the bar of public opinion.

We decided to accede to their requests. On November 6, as hon. members will recall, I introduced a resolution for the establishment of a joint committee of the Senate and House of Commons, and I quote:

> —to consider the interim report of the committee appointed to study combines legislation tabled in the House of Commons, Friday, October 12, 1951, and to consider appropriate amendments to the Combines Investigation Act based thereon.

The joint committee was duly constituted; it commenced its sittings on Tuesday, November 13, and concluded them on Friday, December 7. During the course of the committee's sittings there had been placed before it by the combines commissioner a draft amendment to the Combines Investigation Act which translated into legislative form the recommendations of the MacQuarrie committee. The joint committee in its report which was tabled in this house on Friday, December 7, recommended legislation along

the lines of this draft and went on to make some comments on the question of loss-leader selling to which, as I have already said, I shall refer later.

This completes this short review of what has led up to the introduction of the bill now before hon. members. It indicates that this matter has been under periodic consideration ever since 1949.

I should like next to deal with the substance of the bill before us and to indicate what in my opinion are the principles involved. First of all, however, I should like to refer to the principles upon which the MacQuarrie committee based its conclusions that resale price maintenance should be forbidden. These were as follows:

1. That the direct and immediate effect of resale price maintenance is the elimination of price competition among retailers in price-maintained goods, this being one of the main objectives of the practice.

2. That resale price maintenance facilitates and makes more effective the formation of combines among manufacturers.

3. That the practice of resale price maintenance establishes a private system of law under which the business of a non-conforming retailer or of a retailer who is merely believed to be non-conforming may be seriously prejudiced without that retailer having any recourse to the courts of justice.

4. That the tendency of the practice is to maintain prices at a higher level than would be the case under competitive conditions.

5. That to the extent resale price maintenance stabilizes prices it contributes to the instability of production and the reduction of sales, results which serve neither the interests of manufacturers nor the general welfare.

The MacQuarrie committee also dealt with certain arguments in favour of resale price maintenance. As to the fact that resale price maintenance prevents a retailer from taking advantage of his geographical position or of a temporary scarcity of the article in question to charge excessive prices, the MacQuarrie committee pointed out that the authority to fix and enforce maximum prices which this new legislation will permit would be adequate to prevent this. In other words, if merchant men up in, say, the Peace river area wanted to charge more than this maximum price for a certain article of merchandise and the manufacturer of that article were desirous that he should not do so the manufacturer would have power under the legislation to prevent it.

[Mr. Garson.]

As to the argument that resale price maintenance prevents loss leaders, the MacQuarrie committee stated that more direct and desirable weapons could be found to curb loss leaders, which they did not believe to be an immediate problem at the present time.

As to the contention that resale price maintenance encourages the operation of more retail outlets and the view that it affords a measure of protection to the small retailer, the committee pointed out that this protection was likely to be illusory because

(a) the high margins fixed by resale price maintenance can be used by large stores to expose the small retailer to a more acute form of competition in the field where prices are not maintained. In other words, they can take the profits they make on the maintained prices and use them to cut the prices of goods which are not maintained.

(b) High margins, below which the retailer cannot go, merely transfer competition—and even the supporters of resale price maintenance argue this as part of their case—from the field of prices into the field of services and as a result wasteful forms of competition in services are thereby created, increasing the costs of the retailer to some appreciable part of the amount that he might conceivably have saved by having his prices maintained.

(c) Fixed margins provide an inducement to newcomers to enter into the retail field so that too great a number of outlets with consequent reduction in individual volume may result. This has been the experience, for example, in the drug trade in Great Britain, where under the umbrella of resale price maintenance there have been increases of the order of 8,000 or 9,000 newcomers into the trade each year to take advantage of what seemed to be a superficially favourable situation created by this practice.

The MacQuarrie committee believed that there would always be a place for small dealers in retailing but considered that resale price maintenance contributed more to discourage individual efficiency than to protect the small business. That is to say, if it did in any respect protect small business—and I will argue later that it does not—any merit it might possess in that respect was much more than offset by its discouragement to individual efficiency.

In reply to the argument that resale price maintenance was necessary to protect the reputation of branded goods—we were told that it was not fair to the manufacturer who has spent hundreds of thousands of dollars to build up prestige for his brands to have them made subject to any kind of price

cutting—the committee expressed itself as not convinced that the reputation of branded goods suffered greatly from normal price variation.

During the last month or so, and particularly after the committee sat on this matter, we have heard inside this house and out of it, before the committee and outside of it, many of these arguments I have mentioned and others besides. I must say that some of them seem to me to range pretty far afield, and not all seem to be completely relevant or entirely helpful to a consideration of this subject. But having regard to the fact that, since we decided to accede to the request of those concerned to send the bill to a committee, the only way in which the bill could be got out of the committee in order to be passed at this session of the house was by our not hearing those who were in favour of the bill but only those who were opposed to it—

Mr. Fleming: And only some of them.

Mr. Garson: And all of them that were not repetitive. The steering committee analysed the briefs presented, and the committee heard from all opponents of the bill all arguments which were not mere repetition. In view of that fact this issue comes before the house today in the position that a very great deal has been said over quite a long period of time against the legislation. Many such arguments have been developed, and this is really the first opportunity we have had to develop any arguments in favour of the legislation. That being the case, I should like today to deal with the arguments which have been raised against it. I will try to take them up one by one and show, if I can, that they are fallacious.

This of course is not a simple subject, and it would be a great mistake to deal with it as such. I think we must all concede that there are many aspects which require particular consideration.

Nevertheless it seems to me that the crux of the matter can be stated with some clarity and brevity. The Canadian way of life has always proceeded upon the majority view—I know there are some of our friends in the house who may not agree with this—that free enterprise spurred by competition is the system that will produce the most abundant returns for the greatest number of people. There are, even under a system of free enterprise, it is true, such things as public utilities where free enterprise has had to be replaced to some extent by government control. Each one of these exceptions depends upon its own peculiar circumstances, but in general the economy of Canada is free and it is, thank goodness, competitive. The question involved in resale price maintenance therefore is whether this principle of competition which is the very essence of our free economy is to be replaced by a practice under which the manufacturers and the distributors alone determine price without effective intervention of consumers or the government. That is the issue involved in this matter.

In this connection, the first point I should like to make is that in the determination of resale prices the profit mark-ups taken by the wholesaler and the retailer are quite important. Sometimes, I am afraid, we are inclined to regard the consumer price of a given commodity as the cost of manufacturing it plus a comparatively small mark-up to get it from the manufacturer to the consumer; in other words, we are inclined to think that the bigger part of the job is in getting it created, and that getting it merely from the manufacturer to the consumer is the lesser part of the job. This thought is deceptive; it is not true, because in many cases these wholesale and retail mark-ups together equal or exceed the manufacturing cost. That is one thing that the statistics—and, I may say, the inadequate and sketchy statistics—which were submitted to the joint committee proved.

As I said a moment ago, we are all agreed that competition is vitally important in our free economy. I think we are all equally agreed that both primary and secondary producers turn out goods at a lower cost to consumers, and thereby raise the standard of living, by competing with one another. Our contention is that competition is no less important in the distributing field than it is in the field of production. I submit that no convincing reason has been brought forth, in all this mass of material that was presented to the committee by the opponents of this bill, to show that the process of distribution can be discharged efficiently and economically without competition; and for these purposes the only really effective competition is price competition. For not only does price competition provide a high standard of living by guaranteeing an efficient production and distribution at a low cost to the consumer; it is also my submission that it guarantees what the supporters of resale price maintenance say resale price maintenance guarantees but what we say resale price maintenance does not guarantee, namely the genuine independence of the retailer, particularly the small retailer.

I propose to submit to you, sir, that competition does protect the genuine independence of the small retailer, and that resale price maintenance does not protect his independence; for under competition it is self-evident to anyone who has the slightest

knowledge of trade in this country that the independent retailer is really independent. He buys from whom he pleases. He establishes his own price policy at all times. He runs his own business. Under resale price maintenance, on the contrary, what is his position?

I do not think we could get a fairer or more accurate statement of the position of the independent retailer under resale price maintenance than that which is stated in the *Fair Trade Manual* which is put out by a body which should know all about this matter, if any body does, namely the American Fair Trade Council Incorporated. This is the official body which supports, lobbies for and produces the philosophy and the thinking for the so-called fair trade laws in the United States. These fair trade laws, which are now in force in 45 out of the 48 states, make it legal at least in state commerce for the manufacturer to force the retailer to charge the consumer the retail prices which the manufacturer places upon his branded products. I am quoting now from the *Fair Trade Manual* of 1950, which states clearly, accurately and knowledgeably—for if they do not know about this subject, I do not know any body that will know better—that under resale price maintenance—

> In the business sense, the retailer is but an agent for the manufacturer, a conduit to the purchaser.

The resale price maintenance concept is that the only real competition is that which takes place at the manufacturers' level. Under such an arrangement the independent retailer loses his independence and becomes, as this manual states, merely the agent of the manufacturer, a conduit to the consumer. His function in society becomes, under resale price maintenance, not dissimilar in principle to that of the automats which can be found in the large American cities. He is a vending machine who places goods on the shelves, takes them off, puts them on the counter and in respect of them takes a mark-up, fixed in all cases, with which he need not concern himself at all and which is fixed by the manufacturer.

We who believe in a free economy and who believe in genuine free enterprise do not accept these views. We believe that the independent retailer is one of the most important economic and social factors in our society. We believe that the genuine independence of the independent retailer is to be treasured and preserved. It cannot be preserved through resale price maintenance which, even in the terms of its own proponents, makes him a mere agent of the manufacturer and a conduit through which goods pass from the manufacturer to the consumer.

[Mr. Garson.]

The main and obvious purpose of resale price maintenance is to eliminate price competition among retailers. Yet while this purpose is being served the supporters of resale price maintenance continue to affirm that it does not seriously eliminate price competition. They say it is to eliminate retail competition but it does not eliminate competition. They explain this paradox by saying that after resale price maintenance has eliminated competition at the wholesale and retail level, the competition nevertheless still exists, not of course amongst retailers or wholesalers but amongst manufacturers. They cannot deny, of course, that where the consumer, before resale price maintenance appeared upon the scene, had the benefit of price competition amongst manufacturers, wholesalers and retailers, he has it at only the one manufacturing level after resale price maintenance is in effect. But they argue that the consumer still has the benefit of competition between manufacturers of different branded goods and between manufacturers of branded and price-maintained goods on the one hand and the manufacturers of branded or non-price-maintained lines on the other. Then, undertaking as manufacturers to speak for the consumer, they say that is all the price competition the consumer needs. My purpose today will be to try to prove that is not so.

The supporters of resale price maintenance also say that even among the wholesalers and retailers competition still remains; and I quote again from the *Fair Trade Manual*: competition "in service, sales promotion, salesmanship, display advertising."

There are two separate considerations involved here, and I should like to take them separately. First, and most important, there is no doubt, and indeed it is not denied, that price competition among retailers is eliminated by resale price maintenance. What does this mean from the standpoint of the retailer? It means, to begin with, that the price he charges cannot reflect his own individual cost of doing business. His price is set for him by the manufacturer. If he wishes to compete with his fellow retailers to bring more business into his store, the only way he can do it is by offering his prospective customers a fancier store front or a carpet on the floor, by giving credit or any other form of service of that sort. If he is a volume buyer who, because he does a big business, gets more than the ordinary discount from the manufacturer, he must charge his customers exactly the same price as any other retailer. If he wants to pass anything back to the customer it would be by way of even

fancier store fronts, even thicker carpets or ever better display cases and so on.

What does this mean to the customer? It means that he cannot buy the kind of service he most wants or needs. We all know there are different kinds of stores. There is the smart store with its high taxes and overhead; its expensive advertising and expensive interior; its other services and its charge accounts. If it is a really "posh" store it may have glamorous models to display the gowns. I am not speaking from experience, but those who patronize such stores are under no illusion as to who is paying for this kind of service; or if they are when they go in they are disillusioned before they come out.

On the other hand there is the plain cash and carry store which eliminates all these frills, and bases its customer appeal upon the price reductions which the elimination of such things makes possible. In the absence of resale price maintenance, and only in the absence of resale price maintenance and only because we still have trades in Canada in which there is no or relatively little resale price maintenance, the customer can exercise his freedom of choice amongst these different alternatives.

If the customer cannot afford the glittering exteriors or the colourful interiors he goes to the stores which, in lieu of those splendid things, offer him savings in price. For example, one could go into any store in Ottawa of the less colourful kind, one which is for the most part not under resale price maintenance but which makes a policy of offering goods at somewhat lower prices—a shoe store, for example—one finds that the surroundings are not luxurious. They will be quite plain and unattractive. But in that store the customer will be able to buy articles of standard footwear for about 10 per cent less than they can be purchased for in more luxurious surroundings. The *Fair Trade Manual* says that "competition between dealers remains in service, sales promotion, salesmanship and display advertising." The point here is that many people, and especially those whose purse is not too long, who are not in the high income group, who therefore patronize these less expensive stores get all the service and salesmanship they want to pay for. They need shoes, and they need them at the lowest possible cost. They do not need these luxurious surroundings.

When it is in effect, what does resale price maintenance do for a customer of this type? It thrusts upon him competition in these extra services, extra sales promotion and the like, everything he does not need, and denies him the kind of competition he wants most of all, which is competition in price. What do these extra services, these luxurious surroundings and the like mean to a man who has $5 in his pocket and wants to buy a pair of shoes which are price maintained at $5.50 and which cannot be reduced because of price resale maintenance? It simply imposes upon him something he does not want, and denies him the benefit of buying at $5 that which he would be very glad to get.

I should like to turn for a moment, Mr. Speaker, to the manufacturers' side of the picture. Aside from the fact that resale price maintenance takes competition out of the distributive field, does it really leave, as its supporters say, competition in the manufacturing field? I submit that it does not. This was made quite apparent in the evidence submitted to the joint committee. In the first place, it was clear to all the members of that committee, and I think it will be clear to the members of this house if they stop to reflect upon it for a moment, that once a policy of resale price maintenance gets into operation it cannot, in the nature of things, remain static. Once the practice is established by one manufacturer the trade sees to it that pressure is brought on other manufacturers to follow suit.

I do not want to single out any particular trade, but in the trade that made the strongest representations before the joint committee the members of the committee must have been strongly impressed by the organized efforts that were continuously made to have resale price maintenance extended to articles to which it had not been previously extended; to press for bigger and better margins on articles already within the practice, and to restrict certain borderline products to that trade with its high profit margins rather than have them go upon the grocery shelf with its comparatively small margin.

Now, Mr. Speaker, is anyone naïve enough to assume that it is the manufacturer who absorbs those bigger and better margins? Of course it is not. If he does absorb the high retail margin, then the manufacturer must have been making an excessive profit previously. In either case it is the consumer who pays the shot. What happens is this. As the practice of resale price maintenance is extended to an ever wider area of the field which it covers, the nature of the competition changes entirely. When retailers are competitive among themselves in their prices, that is when there is no resale price maintenance, each of them, by the fact he is severely competitive with his fellow retailer, is under the necessity from time to time of going back

to his wholesaler and saying "My retail competitor is selling a shirt of the same quality as yours for 50 cents less. Unless you can give me a better price I cannot sell your shirt in competition with him, so you will have to sharpen your pencil and give me a better price on it." But when the retailers are not competitive—when the retail price is fixed—their direct interest in getting manufacturers' prices down disappears, because the higher the manufacturers' prices go the higher the price their mark-up will apply to. Indeed it is more serious than that, because instead of the retail trade bringing pressure upon the manufacturer to reduce his price the manufacturer seeks to secure the goodwill of the retailer by providing him with bigger and better margins than other manufacturers will provide him, and the consumer foots the bill.

You might think perhaps this is rather a strong argument for me to develop, but let me give you a few examples.

Mr. Hees: Don't worry about us.

Mr. Garson: Well, strongly worded, shall I say, as a concession to my hon. friend. Let me give you a few examples of what I mean. I am not going to give the names because I do not wish to be unfair, but if any hon. member is curious about these matters I can show him privately a photostatic copy of these advertisements which I have here on my file. I will show them to him privately. These are all recently published full-page advertisements from a reputable trade journal. The first concerns a cough syrup.

Mr. Drew: That is not made in Brockville, I hope.

Mr. Garson: I do not think it is, as a matter of fact. I do not think it is made in Carleton, anyway. The first concerns a cough syrup that, I venture to say, many hon. members have used. It is quite a well-known product. The advertisement reads in part:

> Longer-profit deals—up to 42·8 per cent profit! Don't be caught short! Blank—

That is the name of the so and so firm.

> —blank is offering the widest profit spread on the fastest-growing cough syrup in Canada . . . hurry! Time is short—profits are long!

The second advertisement is that of a type of throat lozenge which doctors in the city, to my knowledge, are recommending to their patients at the present time, and I have not the least doubt with every justification. Here the profit is somewhat lower, 40 per cent, but please note the approach:

> When the doctor says "get blank's," the patient gets 'em. Price is no object. And you profit accordingly.

And a third is even more revealing. It concerns a popular medicated plaster, and the advertisement is run by a highly reputable and leading manufacturer in this country. This special offer "Boosts your average profit—per—backache to a whopping 48·1 per cent." I should interpose here, Mr. Speaker—

Mr. Fleming: What was the date of that advertisement?

Mr. Garson: These are within the past six months.

Mr. Knowles: What was the date of the backache?

Mr. Garson: No, the date of the advertisement. If my hon. friend is interested at all I can show him the photostatic copy.

Mr. Drew: He wants to find out how much he has lost.

Mr. Garson: I should interpose here that these percentages are percentages of selling price. Translated into retail profit, which the retailer makes upon his own costs, they mean that for handling the cough syrup, the lozenge and the plaster, respectively, the retailer gets for his service a retail profit of 74 per cent, 66⅔ per cent and 93 per cent respectively. Now, Mr. Speaker, I do not think it is too much to say that there is resale price maintenance at work. That is the kind of competition it engenders in this one particular field. Does the tone of that advertising convince you, sir, that the system should be perpetuated?

Moreover, in most of the cases these figures I have quoted do not include the additional profits which are offered for quantity purchases. Ordinarily a larger volume should make possible smaller individual profits, but under resale price maintenance increasing volume is associated with wider profits; not only wider profits based upon volume, but wider profits on each unit sold.

I think, judging by some of the remarks of the apologists before the committee, the manufacturers concerned here, if I were to name them, could make a very plausible reply. They might be able to argue, as did some of the witnesses before the parliamentary committee—and if I am not mistaken, Mr. Speaker, I think one or two of the members argued to the same effect, although they were not on the government side—that—

Mr. Fulton: Some of them were.

Mr. Garson: No, I think not, by any means. They would reply that the retail price of this particular type of product over the last ten years, in spite of all the rise in the cost of living, the rise in the price of eggs and in the price of beefsteak and so on, had not risen at

all. That was one of the statistical red herrings which certain persons sought to draw across the path of the committee. But I submit that if this contention were true—and it may be true; I am not suggesting that it is not—it would still be irrelevant because I suggest it could only be true because of economies effected by increased efficiency of production, which the public would have shared in any event, and I think more fully, without resale price maintenance; or perhaps because the original prices were so high ten years ago that all the increases in labour and material costs involved in them could be easily absorbed, still leaving a quite adequate profit.

Let me take three typical cases from the electrical appliance field. These are taken from the material submitted by the trade to the joint committee, and I have taken the first specific instances given in their material, that of an electric range, an electric washer and an electric refrigerator respectively. The information on the range shows that the cost to the wholesaler, in 1950, including all taxes, was $204.15. The retailer's cost was $230. He sold the product to the consumer for $349. This means that the retailer's mark-up was 52 per cent over his cost, or $119 on an article that he had bought for $230. The wholesaler's mark-up and the retailer's mark-up together amounted to 71 per cent of the manufacturer's selling price, which included the manufacturer's costs, his profit, taxes and freight.

In the case of the washing machine which retailed for $159.50 in 1950 and the refrigerator which retailed for $375 the figures tell substantially the same story.

Some people may regard these mark-ups as excessive, notwithstanding the explanations to which I think it is only fair that I should refer, that in carrying these articles in stock it was necessary to service them and to keep them in shape so they would be in good order when they were sold, and to take care of the claims that were made by the purchaser during the guarantee period, and the like. I express no opinion myself as to the adequacy or otherwise of the prices. I cite them for another reason altogether. I submit that the druggist who sold the medicated plaster made on his cost of 52 cents a mark-up of 48 cents. The retailer who sold the range made $119. What I say is this: I think it is a very reasonable assertion to say that these margins, under resale price maintenance, are set by the manufacturer who, in the nature of things, cannot have a direct knowledge of the individual retailer's cost of doing business.

Then, to put the next point in the form of a question: Would any reasonable person maintain that margins like these do not leave room for a retailer to pass back to his customer the savings he can make by the efficiency with which he runs his store, as compared with the efficiency with which his competitor runs his store? That may not be a very great amount, nothing like the margin provided here. But is there anything in the size of the margin to indicate that it does not leave room for the retailer to pass on to his customer any efficiency he has developed in the running of his own business? Yet under resale price maintenance he cannot pass back one penny. He cannot compete in price. The only way he can compete and try to get business from the other fellow is by keeping the whole of the margin and spending the money he thinks he should spend to outdo the other man in sales promotion, fancy store fronts and the like, which I am sure most buyers of goods would regard as a very poor substitute for a competitive cut in prices.

How difficult it is for the manufacturer to fix the retail mark-up is shown by the variation in distributors' costs, which do vary considerably from one merchant to another, just as manufacturing costs vary from one factory to another. The dominion bureau of statistics has published a recent report which shows the operating expenses of certain businesses. The table to which I am now referring and which, if I may have permission, I should like to place on *Hansard* in full —I shall quote only a small portion of it—

Mr. Fleming: What is the source?

Mr. Garson: The dominion bureau of statistics. The table I shall place on *Hansard* shows the average and then the middle range of distributors' costs. That is to say, if one considered that there were four levels of distributors' costs, in arriving at this middle range he would eliminate the two outside ones. Then the middle range represents the high and the low of the inside ones. All the extremes are eliminated.

It shows the middle range for groceries running from 5·6 to 8·4. These figures are shown as a percentage of net sales. In another range, of tobacco and confectionery, it is 4·2 to 7·6. Then we come up to automotive parts and accessories, which varies from 16·5 to 28·0. This comparison, it will be remembered, is just in the middle range. In connection with hardware the figures are from 11·8 to 19·0. I suggest that these variations show how impossible it is for a manufacturer, under resale price maintenance, to select any common margin or mark-up as the fixed spread which should prevail in the sale of

one of his items in the hands of all the retailers to whom he supplies it.

The illustrations I have given do not cover the whole story, but I believe they are sufficient to make my point.

Mr. Speaker: Order. Do I understand the minister has permission to place the table on *Hansard*?

Some hon. Members: Agreed.

Mr. Fleming: What was the date of the return of the bureau of statistics?

Mr. Garson: It was 1949.

Mr. Fleming: Is there anything more recent than that?

Mr. Garson: I do not think so. As my hon. friend knows, there is a time lag in the gathering of these statistics. Those I have are the latest available. It will be understood that I did not gather these figures myself, but I am sure my staff would have gathered the latest available. I believe these are the latest available. Then, as I have been given permission to place the table on Hansard, may I say it is as follows:

	Per cent of net sales	
	Average	Middle Range
Grocery	7·1	5·6— 8·4
Fruit and vegetable	9·5	7·7—12·5
Tobacco and confectionery	5·6	4·2— 7·6
Dry goods	13·4	10·1—16·7
Piece goods	12·6	9·6—17·3
Automotive parts and accessories	20·0	16·5—28·0
Hardware	14·1	11·8—19·0
Plumbing and heating supplies	12·0	9·4—14·7

I should like to supplement these points by one further detail. In addition to these middle range variations in the cost of distributing goods, we found upon inquiry that in representative lines of electrical appliances the retailer's margin varied quite substantially with the volume of business he did. To take an example: In the case of a certain refrigerator, the retailer's selling price being fixed under resale price maintenance but his buying price being dependent upon volume, his mark-up on cost varied by as much as 16 per cent, depending upon the quantity he got from the manufacturer.

Now, as I said earlier, ordinarily increased volume means reduced prices by virtue of the fact that many of the articles we are buying today at a modest price are available at that price because they are produced in volume. The more volume there is, the lower the price becomes. But in this particular case the man who buys in volume like this gets that 16 per cent, but under resale price maintenance he cannot pass any of it back to his customer except by way of extra service of one kind or another.

To give an example of such services there is the running of charge accounts at no extra cost to the person opening the account, if he wishes to pay in that way. Ordinarily when a man buys for cash he saves the merchant a great deal by way of bookkeeping expense, time and trouble, and also there is a saving in bad debts.

One would ordinarily think that if he made a saving by that method of purchasing, which he had chosen, he should be able to get that saving. But under resale price maintenance he cannot get it. In effect, under resale price maintenance the manufacturer says, in relation to the pair of shoes about which I was speaking a moment ago—and I am afraid the price of $5.50 I mentioned is not up to date; perhaps I should have said $11—

Mr. Fraser: That must have been 1935.

Mr. Garson: Yes. I am a little behind in that respect. In effect the manufacturer says this: "I am sorry; this is a packaged commodity I am selling, and it consists of $5 for the shoes and 50 cents for sales promotion and fancy services. If on top of the price for the shoes you, having only $5 in your pocket, cannot pay for this service, then you cannot have either the shoes or the service; for under resale price maintenance I cannot reduce my price below $5.50. In this way you must go without shoes and I must go without the sale." That is exactly what it means. There is no way of price reducing under resale price maintenance.

I next submit that vertical resale price maintenance may promote or assist the operation of a horizontal, price-fixing combine. Resale price maintenance may be developed in two different ways. It may be used by a single manufacturer in the first instance, independently, because he thinks it will maintain the reputation of his product and give him the best possible return upon it. But, sir, let us suppose that each one of a number of manufacturers of comparable products in a certain line of business is able to tie up all his retail and wholesale outlets by a perfectly legal resale price maintenance understanding, which fixes the prices they are to charge at the wholesale level and at the retail level. He has already fixed the price at which they are to be charged at the manufacturing level. I suggest that once each of a number of manufacturers has thus tied up his outlets in a lawful manner then all those manufacturers are in a much more favourable position to conclude among themselves a horizontal price fixing agreement which is illegal under the Combines Investigation Act. Moreover, behind the lawful facade of resale

price maintenance such horizontal price agreements will be very hard to detect and prosecute.

My next submission is that price maintenance may provide an effective substitute for combines. If a group of distributors, we will say in the X trade, agree among themselves and with the manufacturers to maintain prices on the goods in that trade, that would be a combine unlawful under the Combines Investigation Act. But suppose that, instead of agreeing among themselves to fix prices, they go separately to all the manufacturers who produce for that trade and persuade them to introduce resale price maintenance on their products, then I suggest that virtually the same results will be achieved and within the law as it now stands, but with all the harmful effects so far as stifling competition is concerned as would be present in a combine itself.

Evidence submitted to the joint parliamentary committee was rather illuminating on this subject. The evidence submitted indicated that the movement toward resale price maintenance came as often from the retail trade as from manufacturers, and its purpose was to achieve by indirect means that which if achieved by horizontal price fixing agreement would have constituted an indictable offence under the Criminal Code and the Combines Investigation Act.

There was a tendency on the part of some witnesses before the joint parliamentary committee to minimize the extent of resale price maintenance in the distributive trades as a whole. As I understood it, the argument was: "Well, after all, it is only a small segment of the entire picture that is affected by this practice, so why bother? Why not wait until it becomes a much more serious abuse than it is at the present time before taking cognizance of it?"

It seems obvious that if the practice affected such a small part of the retail trade as these advocates alleged then such strong efforts to maintain the practice would not have been made before the committee by so many and varied trades. I am sure members of this house would not have received nearly the amount of correspondence and the number of telegrams they have received during the last few weeks if the allegations of those gentlemen had been correct.

I am not going to take up the time of the house with any detailed statistical analysis of the practice. We have done an accurate job, but to outline this in detail would take up a great deal of time which I think could be spent to better purpose. In any event I think we can rely upon the general conclusion of the various inquiries into this subject that retail price maintenance is now applied widely to a great many lines of commodities and that the practice is increasing. For example, the royal commission on prices in 1949 stated in its report:

> Throughout our inquiry we have been impressed by the degree to which individual manufacturers fix the resale prices of their products and so narrow the area in which price competition amongst wholesalers and retailers is operative.

Having read the MacQuarrie report, I am sure hon. members are aware that it referred to the widespread practice of fixing resale prices, and to the growing proportions of the practice. I might supplement this by one or two references to the evidence given before the joint committee. The first trade group to appear were the manufacturers and distributors of that important commodity, beauty supplies. While perhaps not typical of trades generally, its representative estimated that resale price maintenance in his field had increased from about half in 1940 to approximately 90 per cent now. The Canadian association of radio and appliance dealers stated that price maintenance applied to 80 to 90 per cent of the industry. Mention was made before the joint committee of an estimate that over 60 per cent of the volume of trade of a druggist is in price-maintained lines. On the other hand only a very small proportion of the total volume in such lines as groceries and hardware are price maintained. But even in those fields there was evidence that greater emphasis was being placed upon branding and efforts are being made to extend resale price maintenance. I think the most significant statement was that made in the brief of the Canadian Federation of Agriculture to the effect that more than half of all the purchases made by farmers for productive purposes came directly under some form of private resale price fixing, which in itself it seems to me is a pretty serious situation.

The practice therefore certainly does not play an insignificant role in trade in this country, and there is nothing in any evidence that has come before us to suggest that the practice has by any means reached the limits to which it might very easily go if left unchecked. The fact that resale price maintenance has not yet extended over a predominant portion of trade as a whole is not, in my view and in my submission, a reason for refraining from dealing with it. Being convinced as to the undesirability of the practice and the fact that it is growing, it seems clearly preferable to prohibit it in its present stage when any consequent dislocation will be of small order, rather than to deal with it, as the British are now doing, when it has become as widespread as it has in that country.

I should like to deal now for a moment with the argument which recurred again and again in the proceedings of the joint parliamentary committee. We heard from witnesses and from several members of the official opposition that we should keep this committee in existence and superimpose, like Ossa upon Pelion, this inquiry upon that of the MacQuarrie committee which, in turn, was on top of the royal commission on prices of 1949. The argument was that it was all very well to have these professors and other academic individuals give their opinion, but what we needed were some good sound statistics showing, among other things, that the best comparison to make was the simple comparison of the retail margin on price-maintained articles with that on non-price-maintained articles. It was contended that if we could just get enough of that and take time enough we would get at the root of this problem.

I suggest that such a study would be largely meaningless. The retailer's margin is only one of a series of costs involved in moving goods from the factory to the consumer. Differences in these margins will depend upon a variety of factors such as trade custom, the extent of selling and advertising assistance, the age and reputation of the brands under consideration, the relative amount of consumer recognition and preference, and the volume of turnover. To give a proper weight to each of these factors before arriving at what could be realistically regarded as comparable marketing margins would be a hopelessly difficult task, and anyone who suggests otherwise has not scratched the surface of a consideration of this subject. It is a task, may I also say, that has been wisely avoided by serious and competent authorities upon resale price maintenance, who affirm that the only meaningful analysis of the effect of resale price maintenance on the price of an article would be to compare the price of the article under resale price maintenance with the price of the same article under similar conditions of sale when the price was determined by freely competitive forces. In other words, compare things that in all other respects are identical under conditions that are identical but which differ only in that in the one case they are exposed for sale under resale price maintenance and in the other case under free competition.

The difficulty of course in this country is that such comparative conditions are rarely met with; for the practice of resale price maintenance where it exists is so universal as to leave no islands where free competition can make itself felt on the prices of products which in other parts of Canada are price maintained. Indeed we all face a difficulty—and I think the MacQuarrie committee, the joint committee and the government have faced it—in that there is in Canada a relative dearth of comparable material of this and other sorts. It was very significant that in my view much the best brief presented to the joint committee was that of Professor Fuller upon behalf of the pharmaceutical association of Canada, a very honest and competent job, if I may presume to say so, in spite of the fact that I do not agree with many of its conclusions. But Professor Fuller was under the necessity of admitting under cross-examination that no single fact or figure in his long brief was from Canadian sources. He was critical that the MacQuarrie committee and the government had not examined to a greater degree figures available in the United States which formed almost the entire foundation for all his reasoning, and he was critical that we had not examined figures available in Great Britain. That was a pure assumption on his part. There was no evidence at all that the MacQuarrie committee either did or did not examine these other figures, but in so far as any observations he might have made referred to the combines investigation department I should like to place upon record that we have examined the figures in the United States and we have examined figures and material in Great Britain. I will be referring to some of those figures before I complete my remarks.

Mr. Fleming: Will the minister permit a question? When he says "we" to whom does he refer?

Mr. Garson: I mean the combines investigation branch of the Department of Justice. To support my point I can cite what the proponents and the opponents of our legislation before the committee praised as a very competent report. The British Lloyd Jacob committee investigating this problem in 1949 concluded that it was futile to attempt to compare margins on price-maintained lines with those on free price lines. Their report emphasized that much smaller sales effort was required from the retailer to sell the branded price-maintained product than to sell the non-branded free price product. At page 14 of their report they said, "There is therefore no comparison between the two classes of trade." Yet some hon. members opposite were anxious that we should sit at least until next spring and perhaps until next fall to gather all this evidence that in the opinion of the British Lloyd Jacob committee was largely meaningless.

More fundamental by far in our view are the long-run effects of resale price maintenance in discouraging efficiency in distribution and in imposing rigid price policies upon the economy. These are factors, the discouragement of efficiency in distribution and the imposition of a rigid price policy, which defy statistical analysis but nevertheless constitute the heart of the problem of resale price maintenance. Yet Mr. Speaker, there is scattered throughout the literature on resale price maintenance some statistical data, which Professor Fuller said the MacQuarrie committee could have secured, and which he set out in his brief. I am not quoting from his brief, but these are the same figures he used on the relationship of maintained prices and non-maintained prices on identical commodities that will be of interest in any event to evaluate the significance of resale price maintenance. *Fortune* magazine of January, 1949, undertook a summary of the prices of 117 drug products in Washington, D.C., a free trade area; that is, non-price maintained, and in nearby Maryland—if I remember correctly, Baltimore was the city chosen—where resale price maintenance is legal. This study showed that 35 of the 117 cost about one-third less in Washington than in Maryland, 38 about a quarter less and 29 about a seventh less. The same article carried a report of a comparison between prices in free trade Missouri and fair trade Illinois which showed much the same result. Fifty-four fair trade drug items cost an average of 16.2 per cent more under fair trade on the east bank of the Mississippi than under free trade on the St. Louis side.

The report of 1945 of the United States federal trade commission on resale price maintenance concluded that with reference to the grocery trade, where resale price maintenance is not widely practised, the impact of resale price maintenance, following the passage of fair trade laws, upon the general level of grocery prices was small, but that "price increases fell most heavily upon those consumers who from necessity or personal choice patronize minimum service stores." In other words, people who from necessity had to patronize minimum service stores were those who bore the heaviest brunt of the introduction of resale price maintenance. Similarly, in the drug trade the United States federal trade commission found that the burden of price increases fell most heavily upon the patrons of stores selling at lowest prices. Those consumers who were willing to accept less service and to shop in less attractive surroundings in order to achieve some economies in their purchases were, under resale price maintenance, precluded from doing so.

This finding of the United States federal trade commission is echoed in the conclusion of the Canadian royal commission on prices of 1949 in which it was stated that, among other undesirable effects, resale price maintenance:

> . . . deprives the consumer of his right to seek and patronize the most efficient distributors, namely, those who over a period of time can offer goods for sale at prices lower than their competitors.

Finally we have in the case of the entry of Newfoundland into confederation some of the best evidence, a classical example in fact, of the harmful effect on prices of the introduction of the practice of resale price maintenance. Before it entered confederation there was no resale price maintenance in that land. After Newfoundland became a part of Canada, Canadian price maintenance was made applicable there. I am glad indeed that the hon. member for Burin-Burgeo (Mr. Carter), who was one of the government members on the parliamentary committee, intends to speak on this aspect of the matter; I shall therefore refrain from going into detail on it.

These data I have listed establish, I submit, two generalizations which hold true, broadly if not universally, concerning the effects of this practice of resale price maintenance. First, prices are higher than they would be under conditions of free competition; and, second, the poorer or economy-minded purchaser is deprived of the chance and indeed of the right of buying at lower prices in minimum service stores. This, indeed, Mr. Speaker, may seem to many hon. members like proving the obvious; for, as Mr. McGregor, the former commissioner under the Combines Investigation Act, stated in his evidence before the joint committee as reported at page 395 of the proceedings:

> As the very purpose of resale price maintenance is to prevent sales below the minimum price established, it is obvious that the effect is to keep prices, right across the board, higher than they would otherwise be.

I should now like to deal with the position of the independent retailer in relation to resale price maintenance.

Some hon. Members: It is 6.15.

Mr. Garson: This is a fairly big subject upon which I am entering now, Mr. Speaker, so it might be convenient if you would call it 6.15.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Garson: Mr. Speaker, when the house took recess at six o'clock I was just about

to examine the position of the independent retailer in relation to resale price maintenance. This is a rather important aspect of the matter because no argument has been raised more frequently or stressed more strongly by supporters of resale price maintenance than that resale price maintenance is necessary to protect the independent merchants against loss-leader selling and other forms of competition. They go on to say that without such protection the small retailer would be driven out of business by the large retailer. Indeed the claim is made that resale price maintenance renders to the consumer an important service by enabling a number of small independents such as the convenient community drug store or the corner grocery store, or perhaps a general store in an inaccessible location in the country where the volume of business is not very great, to stay in business. In addition to that, it is argued—and no person, so far as I know, ever contradicts this argument—that the independent retailer, wherever he is, is always an important element in the social, economic and cultural life of the community which he serves. They say that being such he is entitled to protection against the superior financial powers of the large departmental store, mail order house, chain store and the like.

Well, sir, these are all arguments which are worthy of the most serious consideration, because I am sure every hon. member knows that this country would sustain a grievous loss if the independent retailer should disappear from our community life.

In this connection it seems to me that the critical questions are these: First, whether resale price maintenance does give the independent retailer the protection which is commonly claimed; second, whether without resale price maintenance the independent retailer will really be placed in a more difficult position, which I think is open to considerable question; and third and perhaps the most important, whether the broader implications of uniform price fixing do not possess inherent dangers for all concerned, including the independent retailer himself.

I suggest that there is no convincing evidence, but if I am wrong I hope that those who contend the contrary will produce it—that there is no convincing evidence that the position of the independent retailer has been substantially affected by the absence of resale price maintenance in the past, or that it will be substantially affected by the removal of resale price maintenance at the present time. The growth of large-scale enterprises, whether in the field of manufacturing or distribution, has been an aspect of economic development in most industrial countries during the present generation; and there is nothing to indicate that, in the case of the retail trade, the growth of big departmental stores, for example, or chain stores, has been different in those countries where resale price maintenance has been firmly established for a lengthy period from those in which the practice is less extensive. An eminent authority, to wit Professor M. T. Copeland of Harvard university, who for a considerable period directed the studies of the graduate school of business administration which were referred to, I presume with approval, in the pharmaceutical and hardware briefs, wrote in the encyclopedia of the social sciences in 1935 as follows:

> Similar changes in retail trade have taken place in England despite the measures for control of resale prices adopted in that country, and in the United States the enactment of resale price maintenance legislation would not have given and will not give effective protection to small retailers against types of organizations which have inherent competitive advantages.

So that we are here discussing resale price maintenance as if it had provided a protection which in fact does not exist, and proof of which protection cannot be adduced. If one examines, for example, the available information on the structure of retail trade in Canada, the United States and Great Britain, he will find that, if anything, the independent retailer has the smallest share in Great Britain where resale price maintenance is most strongly entrenched. As compared with almost 73 per cent in Canada and about the same proportion in the United States, it is estimated that the independent retailers have less than two-thirds of the volume in Great Britain, the balance being divided between the chains, the departmental stores and the very powerful co-operative movement, which in part is the product of resale price maintenance.

The fact is that the independent retailer's share of Canadian retail business has been well maintained throughout the whole period from 1930 until 1949. These figures which I am about to submit are not the figment of anyone's imagination. These are the facts as to the position of the independent retailer in this country.

Many hon. members will recall the predictions which were made during the depression of the 1930's that the small retailer, under the fiercely competitive conditions which prevailed then, would be forced out of business by the chains and the departmental stores with their mass purchasing power; and the situation the small merchants then faced, as we all know, was one of the principal reasons for the setting up of the price spreads inquiry at the instance of Hon. Harry Stevens. If there were to be a

serious decline in the position of the independent retailer, surely it would be expected that this would be most evident during the decade between 1930 and 1940 when our economy at all levels was subject to the most severe strains, and when not only the little fellows but many of the big fellows were going into bankruptcy and receivership. When the census was taken in 1941, however, it was found that instead of there being a decline in the position of independent retailers, they had a larger proportion of the total retail trade in 1941 than they had in 1930.

The figures for 1930 and 1941, and the figures for 1949 based on a sample of independent retailers, are as follows: Independent retailers in 1930 had 68·8 per cent of the total business in Canada. In 1941 that 68·8 had risen to 70·3 per cent, and in 1949 it had risen again to 72·8 per cent. The chain stores started out with 18·3 per cent in 1930; they had 18·7 per cent in 1941 and 17 per cent, a small decline, in 1949. The departmental stores, including the mail order stores, began in 1930 with 12·9 per cent, which sank to 11 per cent in 1941, and sank further to 10·2 per cent in 1949. After quoting these 1941 and 1949 figures the Canadian retail trade federation brief goes on to say:

> It is quite apparent that the smaller retailer in Canada is effectively maintaining his competitive position.

I do not advance these figures to suggest that a fixed position has been reached in retail trade, or necessarily to prognosticate that that growth in the independent retailer's share of the business will necessarily continue, because as we all know in the type of economy in which we live changes take place. It is a dynamic economy. New and better ways are found to do things, and they all have their impact upon chain stores, independent retailers and department stores. I do present these figures to show that where retailers operate efficiently in a competitive market they are in no danger of disappearing, and I think all members will agree with me that no more difficult conditions could be found than those experienced during the thirties.

Of course the argument in relation to these figures, and the widespread tendency amongst retailers themselves, is to regard their present prosperous condition as being, to a substantial degree, the result of resale price maintenance practices. I do not think they could claim that as the basis for the increase in 1941 over 1930, because from my observation it seemed that under the stress of depression even resale price maintenance collapsed. But I do not admit that the present position is in any substantial measure the result of resale price maintenance. Upon a moment's reflection most of the members, those who approach the matter with an open mind, will agree that this is most unlikely, to put it mildly. Fundamentally the welfare of the retailer, along with other economic groups in the community, is intimately tied up with many important economic phenomena, each one of which has an impact upon his position. It is tied up with the level of prices prevailing in our export markets, which in western Canada at any rate is a very important consideration in the prosperity of the independent retailer. It is tied up with the rate of growth of the economy arising from the development of new industries; with the opening up of new natural resources; with the soundness of monetary and fiscal policies pursued by the government—I forbear the temptation of drawing any comparison between the policies of the thirties and those of today.

When these factors function favourably, all classes in the community enjoy a high level of material well-being. If they function adversely, then the whole community is likely to suffer a decline in its living standards and a decline in its net profits which will have, in my view, a much more significant effect upon the fate of the independent retailer than any amount of resale price maintenance. These factors I have named are the fundamental factors behind the prosperity which all groups in the Canadian economy are now enjoying. Indeed, so far as resale price maintenance has made possible, and I think we have to admit that it has in some cases, a higher per unit mark-up on unit sales, it by no means follows that this has necessarily operated to the profit of the retailer. Profit, I suggest, is the result both of volume of turnover and the profit margin per unit. He would be a brave or reckless man who would insist that lower prices would not lead, and have not led in post-war years, to a substantial increase in turnover and therefore probably to a higher profit.

In proof of that we have only to look around us to the great Ford industry. It was built by a man who believed in turning out a product which, in its initial development stages, he priced at lower than he could produce it for at that initial volume, in the expectation that the low price would produce the larger volume. He built a great industry and made himself a multimillionaire by that reasoning. This is the very antithesis of resale price maintenance. It is perhaps natural for many retailers to regard resale price maintenance as offering to them an important degree of protection, particularly when this view is so assiduously promoted by the trade

organizations by which it is generally proven that, without resale price maintenance, prices would be determined amongst the distributors by competition. Now when prices are determined by competition the competition necessitates the individual retailer watching his cost very closely and working out his selling prices on the basis of competition.

When resale price maintenance comes along and relieves the retailer of this burdensome business of watching costs or watching his price mark-up, and assures him that if he is not doing it none of the other people in the business are doing it either, it lulls him into a false sense of security. What he too often fails to see is that this is a curtailment of his freedom to determine his own pricing policy while limiting his ability to alter that policy as conditions may require. If he gets in a position which is different from the market conditions of today, when there is less purchasing power and it is more difficult to make sales, how can he modify his pricing policy at all under resale price maintenance in order to meet those changing conditions? Moreover, resale price maintenance, which holds the same umbrella over the just and unjust, over the inefficient and efficient, does not protect any of them against the entry of newcomers, including co-operatives, into their market, who attracted by stable margins and prices, slowly but surely cut down the volume of trade for each retailer, while at the same time, with the only competition available under resale price maintenance, that of expenditures upon services, make his costs rise. Sooner or later the declining sales and rising costs whittle away the security he thought he had and the protection he believed was being provided for him by resale price maintenance. The time taken for this effect of price maintenance to be felt varies from trade to trade. In those to which entry is comparatively easy the effects will ordinarily be quickly felt, but in those few businesses in which professional training limits numbers, the effects may be long delayed.

I would like to bring to the attention of the house an example of how it works under a well-established system of resale price maintenance, even in a trade in which professional training limits the number of those who can enter. In this connection I should like to quote from a letter by the secretary of the British national pharmaceutical union published in the American journal, *Drug Trade News* for September 13, 1937. The date is a little old, but the point it illustrates is very apt to my argument. It must be remembered that at that time, in 1937, resale price maintenance had been prevalent to an increasing degree in England for a period of thirty-eight years. This is what the secretary of the British pharmaceutical union stated:

> In our country all proprietary medicine vendors have to be licensed and we woke up to the fact that the number of those vendors was increasing at the rate of eight to nine thousand per year. It is a fact that owing to the success of the price maintenance movement initiated . . . thirty-eight years ago, the prices of proprietary medicines are in fact maintained and the 20 to 30 per cent profit which those articles yield has proved a tremendous temptation to other shopkeepers to invade the proprietary medicine business . . . Hence you will see that the success of our own war to prevent price cutting within our own ranks has produced an army of competitors in our own business.

I cite this as an example of what the next step in the development of this process is. What are the remedies when the retailer, who has been dependent upon resale price maintenance to protect him, finds that protection is false and illusory? What is the next step to remedy that situation? The secretary gives the answers to these questions as follows:

> My own organization decided that it would be reasonable to ask manufacturers of proprietary medicinal and surgical goods to restrict their channel of distribution to the chemists' trade. We ask the proprietors of these articles to sign an agreement for seven years, undertaking only to sell these goods through chemists. In return we, on behalf of the chemists, undertake to give those goods . . . the utmost possible sales assistance . . . On the other side, we ask all our members to refrain from giving window, counter or other displays of any kind to the goods or advertising material of any article within our specification which is not upon our list.

Is that the desirable end result that we seek to achieve in this country?

Mr. Graydon: To whom was that addressed?

Mr. Garson: That is a letter from the secretary of the British national pharmaceutical union, published in the American journal, *Drug Trade News,* for September 13, 1937.

Mr. Adamson: Signed by whom?

Mr. Garson: By the secretary of that organization.

Mr. Adamson: What is his name?

Mr. Garson: I have not the name; but I could get it for the hon. member.

Mr. Browne (St. John's West): Who issues those licences?

Mr. Garson: I am not sure. I think probably it was the pharmaceutical associations. Would that not be correct? If they had a professional association, it would be that association. Otherwise it would be the government. It will be noticed that in this dilemma, instead of attributing his difficulties to resale price maintenance itself, this secretary concludes that more resale price maintenance, or

wider margins on price maintained lines, is the only effective solution. Thus the demand for resale price maintenance becomes more insistent, and the practice is extended to more and more products. The marginal dealer's existence is—what shall I say—prolonged, but it is not assured by any means. And the whole process goes on at the consumer's expense.

It has been suggested by those who oppose the bill that independent retailers cannot compete, that they cannot exist without resale price maintenance. I suggest that does not follow at all. I have here statistics submitted on behalf of one of the bodies opposing the legislation, which prove that point and prove it conclusively. In the brief submitted to the joint committee by the Ontario retail hardware association there is a table, known as table No. 2, appearing at page 790 of the report of proceedings, and this table gives the figures on comparative efficiency in independent, chain and department stores. The important feature of the table, for our present discussion, is the material on operating expenses and net profit. The data for department and chain stores relate to experience in the United States and for the independent hardware stores to experience in Canada. The gentleman who introduced the material was frank in saying, and quite correctly, that he could get this data in the United States but it was not available in Canada. However he said he had good reason to believe that the Canadian data was of the order of the American data. The following table will serve to give the information about which I have been speaking:

	Operating expenses per cent	Net profit per cent
Dept. stores U.S.A. 1949	32·5	2·7
Chain variety stores U.S.A. 1943	28·60	7·72
Hardware stores Canada, 1950 ..	20·9	6·2

It will be noticed that the operating expenses in hardware stores in 1950 was not 32·5 per cent or 28·60 per cent, but was 20·9 per cent. That is a difference in operating expenses of 12 per cent. And the net profit figures, it will be noted, were 2·7 per cent in department stores in the United States in 1949; 7·72 per cent in chain variety stores in that country in 1943, and 6·2 per cent in hardware stores in Canada in the year 1950. The percentages in the table are expressed as percentages of gross sales.

It is apparent from these figures that the independent merchant stands in a quite strong competitive position. It is true, as counsel for the Ontario retail hardware association argued before the committee, that the large departmental and chain stores have an advantage in buying from the manufacturer, in that they order in larger quantities. But, in the words of Mr. Dunn, the lawyer who represented this organization, "it more or less evens out."

Mr. Fleming: What page is that?

Mr. Garson: About page 30 of the proceedings. I am afraid I have not the exact page number.

Mr. Fulton: Does the minister mean page 30 of their brief?

Mr. Garson: No. The brief was submitted, and then Mr. Dunn proceeded to give evidence based on the brief. In the course of doing so he made these remarks to which I am now referring.

Mr. Fleming: That is nowhere near page 30.

Mr. Graydon: Perhaps it is page 30 of the minister's speech.

Mr. Garson: No; my hon. friend is doing me less than justice. It is only page 27. My hon. friend can check this, but I am sure he will find it is correct. Mr. Dunn said:

> It more or less evens out. The big store buys cheaper and has a much larger gross profit but the big store has a higher operating cost. Therefore, when it comes to the end the net profit of the big store is 2·7 per cent.

I will complete the comparison—against the net profit for the independent Canadian hardware dealer of 6·2 per cent, or nearly three times higher.

In this connection I do not think it should be overlooked that a great deal of our thinking on this subject has been conditioned by the depression ideas of the middle 1930's. Undoubtedly manufacturers who were hard up to get any kind of order were unduly impressed by the mass purchasing power of these big retail organizations and perhaps made improper price concessions to them. The price spreads inquiry indicated that these goods were purchased at a low price and then sold at a price which was most attractive to the consumer, but which was pretty difficult for the smaller retailer to meet at that time.

However, I would point out that the factors which prevailed in the 1930's, of a glut of goods on the market with a great deficiency of purchasing power, both signs of severe deflation, are now almost exactly in reverse. We are in error and we produce fallacies when we apply to the very much changed conditions of today reasoning which would be appropriate to the conditions of the 1930's.

I submit that the changes which have taken place are calculated to make the competitive position of the independent retailer comparatively stronger and that of the large

chain and departmental stores comparatively less strong as of the present time. In the first place, I do not think there is any doubt at all that the large departmental stores are not able to drive the hard terms with the manufacturers that they did in the 1930's, so they do not get their supply of goods at as low prices in the first place. Then it is very obvious that the operating expenses of the departmental and chain stores, due among other things to increased labour costs and increased taxes, have increased at a faster rate on the average than those of the independent retailer. Unless he is incorporated, the independent retailer pays no corporation tax, a tax which is now over 50 per cent, and having regard to the personal part he plays in the conduct of his business his labour costs are likely to be lower. The independent retailer also has other advantages. As we all know, one advantage he has at all times is that many people would much prefer to pay something extra for the local convenience and the pleasure of getting personal service from a man whom they know.

In this connection I should like to make reference to a matter which was raised the other day by the hon. member for Oxford (Mr. Murray). The hon. member brought me a letter from a constituent who holds a prominent position in the business life of Ingersoll, Ontario. That gentleman made what seemed to the hon. member and to me an important point. That is, that under present conditions, with the operating expenses of the large stores at their present relatively high level, if the small independent retailer was not under too great a handicap in buying his supplies from the manufacturer, if he could get a price which was reasonably comparable with that paid by the large store, he could hold his competitive position with the large stores.

When the hon. member brought that letter to me he said, "I think my constituent has a good idea," and I said, "Well, I think it is important also, and others have thought that it was important." The Stevens price spreads committee of the middle 1930's saw the importance of that very idea and it was carried into the statute law of the country in the form of section 498A of the Criminal Code, which I should like to read to hon. members to show how closely that fits the point raised by the gentleman in Ingersoll. Section 498A reads:

> Every person engaged in trade or commerce or industry is guilty of an indictable offence and liable to a penalty not exceeding one thousand dollars or to one month's imprisonment, or, if a corporation, to a penalty not exceeding five thousand dollars, who

> (a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors in respect of a sale of goods of like quality and quantity.

I think that covers the case which was raised as closely as any statute could. As hon. members know, this is the section of the Criminal Code which was added as a result of the price spreads inquiry. That takes care of the case in which a large dealer is put in the position where he can cut prices by getting a special discount from the manufacturer. Then clause (b) reads:

> (b) engages in a policy of selling goods in any area of Canada at prices lower than that exacted by such seller elsewhere in Canada, for the purpose of destroying competition or eliminating a competitor in such part of Canada;

If one of the large transcontinental organizations goes into one town and starts quoting predatory prices to put a competitor out of business, they would come within that section. The next paragraph reads:

> (c) engages in a policy of selling goods at prices unreasonably low for the purpose of destroying competition or eliminating a competitor.

I think the retail trade itself realizes some of these facts. I should like to quote from the April 1951 issue of the *Ontario Retailer*, published by the Retail Merchants Association of Canada (Ontario) Incorporated. This issue contains an article entitled "Is the Independent Retailer Too Modest? The Story of the Timid Giant." This article reads in part:

> Once upon a time there was a Timid Giant. He was more than three times as big as the next largest giant and yet, believe it or not, he used to refer to his rival as the Big Fellow. He used to watch everything the Big Fellow did in fear and trembling and when he heard that the Big Fellow had actually grown an inch, he got into such a panic that he almost died on the spot. And that is no fairy tale either—although you might call it a parable.
>
> To cut out the fantasy and get down to figures, here are some extracts from the dominion bureau of statistics report on the retail trade for 1949—the latest complete figures available. It states that Mr. and Mrs. Consumer spent a total of $8,427,900,000 in all the retail stores across Canada during that period. Of this impressive total $6,137,990,000 went through the cash registers of independent retailers, and $2,289,910,000 through departmental and chain stores.
>
> Percentagewise that means that the independent retail giant did 73 per cent of the retail business, and the big fellow did 27 per cent. Surely that is not a situation that should develop an inferiority complex in the independent retail trade. But do you refer to the department store and chain store operators as the big fellows, and do you watch their operation in fear and trembling? We are not advocating a feeling of complacency by any means. The disturbing fact is that the big fellow is growing by inches over a period of years and the

independent retailer either as an individual or a group cannot afford to sit back and rest on his laurels. But we see no cause for panic.

The author of this article goes on to point out ways—and I think I should refer to them—in which the independent dealers can undertake joint actions to plug such chinks as there may be in their competitive armour. But it is a matter of historical fact that after the temporary consternation experienced by independent retailers in the early days of the chain stores, there followed a program of improved merchandising methods through the betterment of stores, in some cases through the formation of various types of voluntary chains and so on, which has placed the independent retailer in a strongly competitive position. I would suggest that it is grossly pessimistic to believe that he cannot meet the current marketing problems without the deceptive crutch of resale price maintenance.

One of the arguments brought against this legislation was that but for resale price maintenance many independent retailers would be wiped out by the practice of loss leaders. At the very beginning of any discussion of this item I wish to make it entirely clear that the use of predatory price cutting tactics with the aim of driving competitors out of business and establishing a monopoly is contrary to public interest. I just finished reading the legislation against it a moment ago. But price cutting of such obviously predatory character is, I suggest—I was going to say "comparatively rare"—but I think it is exceedingly rare nowadays. It would be almost impossible to find an example of it. The fears which nowadays we hear expressed about loss-leaders, the fears that are the basis of the arguments which were used against this legislation, apparently refer to something less, including any noteworthy reduction in price which is widely advertised in order to attract customers to a particular store. One witness, prominent in the retail trade, before the joint parliamentary committee went so far as to define a loss leader in these terms:

> I think if I were to give a personal definition of loss leader the closest I could come to it would be: a loss leader is a price which does not represent the full mark-up, and which is designed to attract traffic into your place of business.

It was argued that accompanying this legislation we should have legislation which would bar loss leaders defined in those broad terms. If that is the case we might just as well not pass this legislation.

Here are some other definitions: The sale of merchandise below its net invoice cost to the merchant, with or without cash discounts; the sale of merchandise below net invoice cost plus a percentage equal to the average operating cost of the merchant, or of the trade; or simply the sale of merchandise at less than its usual retail price. The purpose in all these cases is to attract the customer into the store by means of a loss leader and then make up on the swings the prices of which are not cut for what is lost on the roundabouts or loss leaders that are.

In all these arguments it is assumed that resale price maintenance by eliminating loss leaders will be more favourable to the small merchant than it will be to the chain or departmental store. But this is another conclusion that is by no means necessarily well founded. A study of retail distribution in Great Britain made by Mr. Henry Smith and published by the Oxford university press—and Mr. Smith was a member of the Lloyd Jacob committee in Great Britain and therefore an authority on the subject—points out that "the highest proportion of multiple shops is to be found in the druggist's trade . . ." that is, in the trade in which price maintenance is most thoroughgoing and has been in force for almost half a century. Incidentally it is the same trade concerning which I related the remarks of the secretary of the British pharmaceutical association as to the sorry plight into which it had got under resale price maintenance.

Then there is another development in this connection which I think is not without significance. In the early stages of their growth the chain stores in order to attract customers into their shops indulged in aggressive price reductions in nationally advertised branded lines. In the early stages this was effective because there would be only one chain store in a city block surrounded by a number of independents. Now, however, when the chain stores have to face the competition of other chains it will be noticed that while they do reduce prices the extent of the reduction is nowhere as great as it was in the early days, and the experience in the last five or six years in the United States is that every time there is any move to secure or strengthen the fair trade laws the chains can be found in the vanguard making a great contribution to the necessary costs and taking a prominent part in all proceedings. Why? Because in the first place they cut nationally advertised lines and made up for it in selling their own brands, and then they discovered that under resale price maintenance, where nationally branded lines were maintained, they could make their profit on them and cut their own brands which the independent retailer could not even duplicate at any price.

May I say—and I am sure hon. members will be relieved when I add "in conclusion"—that there are only three ways in which the prices of goods can be fixed.

The first is by competition. A witness before the joint committee told us that as to the great majority of goods in Canada their prices, their wholesale and retail mark-ups, were determined by competition. For example, this is the case with over 95 per cent of the grocery trade and over 92 per cent of the hardware trade.

The second way is by government control. I think most of us agree that in our free Canadian economy government interference in business should be kept to a minimum and therefore price fixing by the government should be avoided if possible.

The third way that prices can be fixed is by the control of private interests either in the form of (a) price fixing combines, which are quite illegal and indeed criminal under the existing law, or (b) by resale price maintenance which in certain forms and under certain circumstances is also illegal under the existing law. It is for the purpose of making all forms of resale price maintenance illegal that the present bill is being introduced.

I suggest that if this parliament and this government allow price competition amongst wholesalers and retailers to continue to be eliminated by resale price maintenance in certain trades, we shall have to answer four vital and searching questions by the Canadian consumers and by the many hundreds of thousands—some people will say millions—of little fellows amongst these consumers. These consumers being largely unorganized and unprotected, are forced to look for justice in this matter to this parliament and this government. Judging by what some of them have written and told me, I think this is what they are saying to us: We are little fellows ourselves, so naturally we are on the side of the little fellow in the retail business. All we ask is that he work as hard and plan as carefully as we must do in our walk of life. But is there one good reason why the independent retailer, the little fellow, who will not take the trouble to make himself reasonably efficient—not extremely efficient; just reasonably efficient—should be protected under resale price maintenance by profit margins which, at our expense, will provide for the reasonably efficient merchants profits which they do not need, and in some cases do not wish to take, but which resale price maintenance compels them to take? That, they would say, is question No. 1: Is there one good reason for this sort of protection?

Then I think they would say to us: Our second question is this. Can anyone bring forward a reason why the little fellow in some trades needs heavy protection from resale price maintenance whereas in the grocery and hardware trades, for example—and there are others—the independent dealers, including all the little fellows, when they are reasonably efficient have demonstrated for many years that they can keep their share of the retail trade and the profits in it, against all competition?

The third question they would ask is this: If the government will not control prices itself, is there any good reason why wholesale and retail profit mark-ups should be left to a substantial extent under the private control of manufacturers?

The fourth and final question which they would ask of this parliament is this: Is it reasonable to expect the Canadian people as consumers to tolerate indefinitely the practice of resale price maintenance whereby the cost of distribution of goods and the prices of the goods themselves are fixed by the manufacturers without the safeguard of price competition amongst wholesalers and retailers?

These are all very just questions. They are all questions to which the men and women in Canada who are consumers are entitled to an answer. In the government's view the answer to every one of those questions is: No, there is no good reason; and these negative answers, in our view, constitute one of the strongest arguments in support of the present bill.

This bill proposes to make it an offence for a manufacturer or a dealer to prescribe fixed or minimum resale prices. He may still prescribe and enforce maximum resale prices. He may also indicate resale prices as long as he does not do so in such a way as to require or induce another person to maintain them. The man who wishes to be law-abiding in this regard, I suggest, will not have any trouble at all in avoiding any action which could be interpreted as requiring or inducing another person to maintain prices.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, it is now quite obvious that the government is certain that it is not wise to proceed with this legislation. We have just observed the spectacle, for the last two and a half hours, of the Minister of Justice (Mr. Garson) doing his best to talk out his own bill.

Some hon. Members: Oh, oh.

Mr. Fulton: The whole course followed by the government in connection with this legislation has been as extraordinary as has been the spectacle we have just witnessed. That they themselves are unconvinced of the merits of the bill and that, if they press it through

to a conclusion, they are doing so for nothing more than party political purposes, was nowhere more clearly demonstrated than in the tactics they have followed during the whole of this session. At every turn since the beginning of the session in October they have attempted to choke off discussion on the merits of the proposal to outlaw price maintenance.

The speech from the throne announced the proposal to bring in legislation at this session. Nothing was done about that matter and no further reference was made to it until the beginning of November, when it was announced that it was intended to refer it to a committee. The committee was not set up for a week after that announcement was made. The committee's sittings were limited. An artificial termination date was placed upon them. The evidence which that committee was allowed to receive and consider was curtailed. But most reprehensible of all in connection with this extremely important matter has been the delay of a whole week at this stage, after the presenting of its report by the committee and the reference of the matter back to the house a week ago last Friday, before proceeding with this legislation in the house in the obvious hope, Mr. Speaker, that the approach of Christmas and the human desire on the part of the members to rejoin their families would have the result that those opposed to the legislation—and I may say that they are to be found on both sides of this house—would be induced to leave; and thus the bill would, they hoped, enjoy in the house that cursory and inadequate examination only which the government majority had allowed it in committee, and its passage would, they hoped, be expedited.

Never was a more serious and far-reaching step affecting some 700,000 Canadians directly engaged in or dependent on the retail trade more summarily and inadequately treated—and thus treated for political purposes only. Indeed, Mr. Speaker, the anxiety of the minister not to deal with the merits of the matter in the house but to play politics and to build up political pressure outside the house was nowhere more clearly demonstrated than in the fact that, even after this long delay before bringing the bill back into the house and dealing with it, his speech of this evening was reproduced in the press before it was delivered in the house.

Mr. Garson: I rise on a question of privilege. I am glad my hon. friend has raised this matter; in fact I wondered whether I should not do it myself. This speech was prepared and was handed to the press today, with the usual condition that it was not to be released until delivery. That condition was observed, so far as I know by all the members of the press gallery with the exception to which the hon. member refers. I therefore do not think that my hon. friend can hold me accountable for what has taken place.

An hon. Member: A Tory paper.

Mr. Fulton: I am not holding the minister accountable for whether it appeared in one paper or not. I am merely referring to the fact that the whole course of action followed by the government with respect to this legislation has had the result that the matter has been dealt with on a political basis in the country before there was ever an opportunity for discussion on the merits in the house because its introduction here has been held up in the hope Christmas would take members home so the bill would slip through. I think what the minister has just said verifies that statement.

As to the minister's speech itself, I shall not follow him in all of the extraordinary mental convolutions, if I may use that term, which he has followed. I would say that his whole speech was characterized by the last four questions with which he concluded, and which he said the consumers of Canada would be asking. About that time, Mr. Speaker, one began to doubt if the consumers would even get an opportunity to say a word let alone ask a whole question. But these questions can be characterized as nothing more or less than trick questions. Indeed, while it was a lengthy and, I would say, a laboured speech, it was in fact a trick speech. When you analyse the speech and the points made by the minister and compare them with the evidence which was actually submitted—that is, such evidence as we were allowed to have brought before the committee—you will find that the facts upon which those points are based, like the facts upon which the questions are based, are not correct. It was a highly selective speech in its choice and presentation of the evidence. Rather than attempt to follow further the speech itself and the course which the minister took in dealing with this subject, I shall deal with the matter generally and answer the minister's points in the course of my own analysis of this problem.

Much has been made in the course of the discussion, both in and outside the house, of the effects which it is alleged this legislation is going to have upon the cost of living in Canada. I suggest that in the legislation before us today we can see evidence, when we view it in that light and when we ask ourselves just what effect this is going to have on the cost of living in Canada, of the government's impotence and inability to deal

with that problem. We are presented with this bill as the government's contribution towards reducing living costs, the one and only solution offered by the government at this session, when their major responsibility should have been to take effective action to deal with this problem. Considered as a solution, as a contribution, as an answer to a problem or as anything more than shadow-boxing with the cost of living, it is a sputtering and fizzling farce.

But if it were only that, if it were nothing more than that, then we could be done with it by laughing it to scorn for the poor inadequacy it is. But unfortunately, obvious though it is that this measure is intended to delude the consumer into thinking something is being done about the cost of living, of itself it will have little or no effect in that field, as the Prime Minister (Mr. St. Laurent) has agreed. Yet it is positively a dangerous and improper piece of legislation to be enacting now because of the threat it presents to the existence and welfare of the small independent retailer. Indeed, the absence of any evidence that would justify the statement that it will reduce the cost of living, coupled with the existence of positive evidence that the legislation is desired by some of the largest and most powerful business interests in the country, and is opposed by thousands of small business men, supports the conclusion that the bill is so designed that it will accomplish nothing more effective than to increase the power and competitive advantages of the large chain and department stores at the expense of the small retailers.

As such it gives every impression that the government has produced a piece of legislation which will promote special interests and advance the welfare of some of their friends in the field of big business, without any corresponding benefit to the consumer, but to the peril and increasing disadvantage of the smaller, weaker independent retailer who is less able to take care of himself. Because we are unable to subscribe to such an unfair and prejudicial course; because we believe the independent merchant is a vital part of our economy; because we prefer a larger number of independent businesses as being in the best long-run interests of the consuming public and of the nation, as opposed to an increasing concentration of power in a small number of monopolies; because we consider this legislation ill-considered, hasty and unfair, we propose that it be not proceeded with, and I intend to move an amendment accordingly.

But first may I mention some of the more objectionable features surrounding the present legislation. In doing so I wish to emphasize that we are not taking a strong position either for or against the merits of the price maintenance system as presently practised. Indeed, one of our strongest objections to the course now being followed by the government is that resale price maintenance is being disallowed without sufficient evidence as to whether it is, in fact, harmful or beneficial in its results to the consumer. We do not know from any evidence already before us, because we were not allowed sufficient time to get evidence, just what its effect is on prices.

We did not have sufficient evidence to enable us to say whether it is desirable or undesirable in theory, let alone in its present effect on prices and upon the economy generally. But we did have available very positive evidence that the vast majority of independent retailers are fearful of the results in terms of unfair competition, loss leaders and increasing power in the hands of the big chain department stores, which will result if price maintenance is eliminated.

It is true, Mr. Speaker, that one or two of the very large chain departmental stores—Eaton's is the conspicuous example—said they were opposed to the practice of price maintenance and in favour of the government's legislation. But we had no evidence that any small retailer supported Eaton's stand. As I have said, they were all genuinely concerned over the vastly increased powers which would be given to the giants such as Eaton's if the protection of price maintenance were taken away. If there were nothing else but the fact that Eaton's is in favour of the government's proposal and the little man is opposed to it, I would proceed with caution, if not with suspicion. Without going any further into the merits or demerits of price maintenance itself, I say we have not sufficient evidence to justify us in enacting this legislation eliminating price maintenance, bearing in mind that it will place the small man at the mercy of the big fellow without giving him any alternative protection.

This refusal to allow us to get evidence was persistent and extraordinary. In fact, it was such as to go a long way towards confirming my suspicion, referred to already, that this legislation is calculated to help the big fellow. Even after Eaton's had come out against price maintenance in a well publicized brief which was circulated in advance to the press, the government consistently refused to let us call any witnesses from that concern to state why they were so much in favour of the government's proposal. Not only did they refuse to allow us to call evidence from the big men—I should point out that the one

I have named is not the only one—to ask them to justify their position, but they consistently refused to allow us the time and opportunity to call witnesses from the small retail trade who desired to be heard, or to get evidence in facts and figures from the retail trade as to the results of price maintenance, which would establish whether or not the practice worked to the advantage or to the detriment of the consumer.

We are opposed to proceeding in this manner with legislation which condemns the small retailer and deprives him of his only means of protection against the chain store and the mail order department store without having had sufficient evidence to justify such a course, and particularly without having given the small retailers of Canada a fair hearing. For the retailers of Canada, Mr. Speaker, the independent merchants, will be condemned without a trial if this bill passes, because by this bill now before the house the government proposes to condemn them practically unseen and unheard.

I have spoken of the lack of evidence and the refusal of the government to grant us the opportunity to obtain evidence. Mr. Speaker, I wish to make it perfectly clear that the lack of evidence to support the proposal now before the house is in no way the fault of the official opposition. We pressed repeatedly in the committee for the right to call witnesses and to question those witnesses on all subjects, whether they were included in their brief or whether they were in their general knowledge as people with an intimate knowledge of the retail trade of Canada. But a glance at the proceedings, both in this house and in the committee, will show the inadequacy of the consideration given to this matter and the folly of passing legislation of this kind with so little evidence.

This is a big subject, Mr. Speaker. The Minister of Justice (Mr. Garson) himself, in the course of his remarks tonight, made that as one of his main points. He said: "This is not a simple subject," one of the few conclusions in which I could agree with him. It is far from a simple subject. It affects directly at least 700,000 people who are either engaged in or immediately dependent upon the retail trade of Canada. It is going to have a profound effect on every one of these people, and it may have a more considerable effect on the economy of the country generally, quite apart from its effect on the retail trade.

What consideration has, in fact, been given to this matter? What evidence do we have that there has been sufficient consideration? What evidence do we have of the facts and figures of the results that flow from the practice of resale price maintenance upon which we are asked to base a conclusion, and now to translate that conclusion into legislative form, absolutely outlawing and banning the practice? Well, not to go too far back—the minister went back into history, but I do not intend to follow him all the way—there has been particularly the MacQuarrie committee which is relied upon by the government as the main basis upon which they say this legislation should be enacted.

When one looks into the consideration which the MacQuarrie committee gave to this matter very serious doubts are raised as to whether that committee itself had sufficient time to give the matter the consideration it deserves, and whether they gave themselves sufficient time to justify the conclusions at which they arrived. I call to witness first the Minister of Justice to establish that the MacQuarrie committee had by no means finished their investigation when they were asked suddenly to present the interim report upon which this legislation is in the main based. Speaking in the house during this session on November 2, the minister said, as reported at page 664 of *Hansard*:

> It therefore became clear some time ago that the MacQuarrie committee could not hope to finish its work until the end of the present calendar year at the earliest.

There is no suggestion that the MacQuarrie committee—and if there is a suggestion, there is certainly no evidence upon which the suggestion is based—had in fact completed and concluded in every way their study of the question of resale price maintenance, or of the general subject which was referred to them, when on September 10 the minister wrote them a letter in which he asked them to make a report with respect to this question of price maintenance. That report, Mr. Speaker, in spite of the fact that the minister said it was clear the MacQuarrie committee had not finished its work, was produced by October 1, just twenty days after the committee was asked to report on this matter. That report, Mr. Speaker, contains no evidence; it is nothing more than a collection of opinions; and indeed from the evidence we heard at the parliamentary inquiry into this matter, it became very doubtful as to whether or not the MacQuarrie committee had in fact received anything more than an expression of opinion. Whether they had asked for or been presented with any facts or figures upon which to make a statistical analysis which would justify them in their conclusion that price maintenance as a practice is against the best interests of the Canadian consumer is, to say the least, extremely doubtful. All that appears in their interim report is a collection of opinions, and from

appearances they simply added up the opinions for and the opinions against and subtracted one from the other, and came to the conclusion that "the ayes had it."

That is not my own opinion only, Mr. Speaker, with respect to the adequacy of the evidence before us and its efficiency as the basis for the legislation we are now asked to pass. I would refer particularly to the opinions of the Trades and Labour Congress of Canada, as presented in a brief to us and as substantiated by Mr. Percy Bengough, the president of the trades and labour congress, in his evidence before the committee. The brief of the trades and labour congress, which incidentally I should say here and as will appear in more detail later as we analyse the evidence that we were allowed to get, did not take a strong position opposed to the practice of price maintenance—

Mr. Sinclair: They certainly were not for it.

Mr. Fulton: That will appear more particularly later. They certainly did take a very definite position that the MacQuarrie committee's report was not a substantial basis upon which to condemn the practice. I will read from page 380 of the proceedings of the committee, where after referring to the question of whether or not the factors mentioned by the MacQuarrie committee justified their conclusions, they say:

> No concrete evidence has been produced in the interim report to show the real influences in this regard and in the absence of such facts your committee is, in essence, acting in the dark.

That of course, Mr. Speaker, as it turned out, became more and more apparent the longer the committee sat; because the more it became obvious that in order for us to be able to make an intelligent conclusion on this subject we must have statistical evidence, the more determined the government became to deny us every opportunity of obtaining such evidence. The trades and labour congress brief on the same subject says as follows, as reported at page 381:

> We have raised these doubts about these matters, not because we favour resale price maintenance as such, but because we are not favourably impressed with the interim report. There is an air of artificiality about the interim report. It states its case and reaches its conclusions without adducing any pertinent or concrete evidence of resale price-fixing practices in Canada. The effect of its vague and quasi-technical exposition is to suggest that it is merely a contrived argument to support a preconception.

It was upon the basis of that report, whose very form suggests that it was merely "a contrived argument to support a preconception"—and that is the considered opinion of the largest and most responsible labour organization in Canada—that the government committed itself in the speech from the throne to introduce legislation outlawing price maintenance. And in the same speech from the throne they coupled, immediately after the undertaking to introduce this legislation, the inference that it was designed to reduce the cost of living.

Then, as the Minister of Justice (Mr. Garson) himself has confirmed this afternoon, a form of second thought set in as a result of many protests from retailers affected, which the government and others began to receive. So the government decided it would appoint a joint parliamentary committee of both houses of parliament. At this moment I think I should pause to pay tribute to the chairman of that committee, who revealed himself as very able indeed. It is unfortunate that his ability was demonstrated chiefly in his success in preventing the committee from getting evidence. But he was very able in that regard.

But, Mr. Speaker, if this subject, upon which the government said in the speech from the throne that it was proposing definitely to base legislation, was thus suddenly to be referred on second thought to a parliamentary committee, one would have assumed at least that it was intended to give that committee the opportunity to study the merits of the question. After all, if the matter is referred to a committee and that committee is not given the opportunity to study the merits of the question, the only conclusion to which one could come, and the only conclusion which the facts support, is that the government appointed that committee and referred the MacQuarrie report to it for the sole purpose of enabling themselves to evade their proper responsibility, and to have the committee act as a rubber stamp of the MacQuarrie report so that the government, if taxed with its responsibility for the legislation, might be able to say, "Oh, but we referred the whole matter to a joint committee of parliament and it recommended legislation."

That is in fact all that has happened, except that the committee did not act only in the capacity of a rubber stamp. We were allowed to add to our functions that of an adding machine. We were allowed to add up the opinions, both pro and con. We were allowed to add the number of briefs in favour of price maintenance and to add the number of briefs opposed to price maintenance, and to subtract one from the other. Then, having acted as an adding machine, our functions were limited to that of rubber stamping the MacQuarrie recommendations.

Sir, I object most strenuously to this improper use of the parliamentary committee.

I object to the appointment of such a committee on the pro forma basis that it is to have referred to it a committee's report, that it is to consider that report, and then to having the committee's investigation cramped and confined and effectively gagged so that an adequate consideration, indeed any consideration, is made quite impossible.

I have referred to the lack of evidence before the MacQuarrie committee upon which conclusions could properly be based, as well as to the lack of evidence before the parliamentary committee. There were no less than six separate demands by way of substantive motions on the part of opposition members in that committee in an endeavour to obtain evidence which would enable us to reach an intelligent conclusion. Each one of those motions was voted down by the government's majority on the committee.

On two occasions those adverse votes were reversals of previous decisions the committee had arrived at. The procedure was most extraordinary. On two occasions members of the committee, as one would have expected intelligent men to do, had arrived at the conclusion that we should in fact place ourselves in possession of sufficient evidence and sufficient facts and figures surrounding this practice to enable us to reach a proper conclusion. But overnight, after an opportunity for consultation between the chairman and the government which had appointed him, efforts were made—

Mr. Sinclair: On a question of privilege; the hon. member has been carried away by his own opinions. I am sure he will recall that I was elected chairman by the committee.

Some hon. Members: Oh, oh.

Mr. Hees: Marks for humour!

Mr. Fulton: I also recall that it was the hon. member himself who pointed out to one of the members of the committee that there never had been a parliamentary committee since 1867 on which the government did not have a majority of the members. So it was perfectly obvious that the government would have a chairman of the committee.

However, I think the hon. member is overly sensitive, because what I had said was that, after the opportunity for consultation between himself and the government, he had instituted proceedings and a line of argument supported by the government majority, which resulted in a reversal of that decision to obtain evidence.

One would have thought that in the light of the fact that the government had placed in the speech from the throne the proposal to bring in legislation, and the proposition that such legislation would have the effect of reducing the cost of living, after they had referred the matter to a committee they would have been anxious to produce evidence to prove that the enactment of the legislation would in fact have the effect of reducing the cost of living.

Well, it became obvious that the government was not anxious to produce that evidence. And so in a desire to get at all the evidence on all sides of the question, and in a desire to force the issue as to whether we would be allowed to reach intelligent conclusions, we moved that all the relevant facts and figures be placed before the committee.

Let me say here, by way of digression, that when he dealt with this subject the Minister of Justice showed an example of that amazingly selective mind of which he is possessed.

Mr. Fleming: That is another word for partisan.

Mr. Fulton: He said that opposition members of the committee had asked for evidence of profit margins on price-maintained and non-price-maintained goods. In fact, he said, statistics on this complicated matter would not justify any conclusion. He implied that, after all, the ordinary member of parliament is not intelligent enough to be able to understand these figures, and that only experts like the members of the MacQuarrie committee—or cabinet ministers—could analyse intelligently any figures which might be presented. He suggested therefore it was not proper that these figures should be placed before the committee.

These were his words:

> In most cases the statistical study advocated was a simple comparison of retail margins on price-maintained with those on non-price-maintained lines.

And he went on to say at page 18 of the text he released:

> To give a proper weight to each of these factors before arriving at what could realistically be regarded as comparable marketing margins would be a hopeless task.

And he interpolated in the course of expanding his 7,500 word address to approximately 10,000 words that—as I took it down—

> Anyone who suggests otherwise has not scratched the surface of this subject.

I do not know how much the minister has scratched; but his argument that all we asked for was a comparison between profit margins on price-maintained and non-price-maintained goods indicates that he has not even read the evidence before the committee. He has not considered the motions which in fact were made asking that evidence be produced.

He has overlooked entirely the fact that our motions asked for a comparison not only of profit margins but of end prices in Canada, not in the United States. We asked for a comparison of end prices of comparable goods, both price-maintained and non-price-maintained.

Mr. Garson: Will the hon. member permit a question?

Mr. Hodgson: He did not interrupt you.

Mr. Garson: If he does not permit a question—

Mr. Fulton: I shall be glad to.

Mr. Garson: Will my hon. friend tell me how it would be possible to make a comparison between identical goods sold in Canada under resale price maintenance and those not under resale price maintenance when those sold under price maintenance are sold right across Canada?

Mr. Fulton: The minister's question is about as clear as the four questions at the end of his speech. Our motion asked for a comparison of goods of comparable quality and category in Canada, both price-maintained and non-price-maintained. I think I had better read the motion so that the actual request for information will be before the house. I quote from page 301 of the minutes of proceedings and evidence of the committee as follows:

> Mr. Fulton moved that the steering committee in conjunction with the committee counsel and the Combines Investigation Act commissioner formulate a series of questions to be put to all manufacturing groups coming before the committee; and in cases where the witnesses wish that the names of the manufacturers producing figures be kept secret, committee counsel and the Combines Investigation Act commissioner sit in with the witnesses in order to assure the committee that the figures are representative.

The minutes then record that:

> After discussion, and the question having been put on the said motion, it was resolved in the affirmative.

That was the first motion, on November 26. Then, on November 27 the steering committee reported against that suggestion. In amendment to the report of the steering committee I moved the following motion, and I quote from pages 345 and 346 of the minutes of proceedings, as follows:

> That for the purpose of enabling the committee to compare profit margins and cost to the consumer in both price-maintained and non-maintained goods, committee counsel together with the combines commissioner procure from manufacturers and retailers appearing before the committee (as individuals or through their association) figures for typical commodities in the lines produced or handled by them, showing the following stages in the distributive process:
>
> (1) the factory cost
>
> (2) the price to the distributor
>
> (3) the price to the retailer
>
> (4) the price to the ultimate purchaser
>
> for price-maintained and non-maintained goods of comparable category and quality;
>
> and that with respect to a departmental store or manufacturing concern which does its own manufacturing and distributing the figures be given with the omission of the appropriate stages outlined above;
>
> and that counsel be empowered to employ a cost accountant as and when necessary for the purpose of such study.
>
> After discussion and the question having been put on the said amendment, it was negatived—

There was only one member on the government side who voted for the motion, the hon. member who has been mentioned by the Minister of Justice as being very much concerned about the course proposed to be followed. I refer to the hon. member for Oxford (Mr. Murray). On that occasion the committee reversed its previous decision and decided that it would not obtain evidence of either profit margins or the price to the consumer on price-maintained and non-maintained goods of comparable category and quality in Canada. This decision was reached although one of the witnesses, in fact more than one but especially Mr. Harris, president of the Canadian retail federation, a most excellent witness, advised us definitely that such a study could be made and that his organization would be glad to help in producing such evidence, that is, evidence relating not only to profit margins but to the end price to the consumer of price-maintained and non-maintained lines.

It will be seen that the committee decided definitely by that vote that it would not obtain factual evidence of the only type which would have enabled it to decide intelligently whether or not the system of price maintenance in fact operates to the detriment of the consumer with respect to prices. After all, it seems to me hardly reasonable to say the least to ask parliament to condemn a practice of such widespread nature throughout the retail trade, the elimination of which is causing such concern to independent retail merchants, without allowing us to get the facts as to whether or not the practice actually raises prices. That seems to me to be asking us to indulge in a course of legislative folly.

After the attitude which government supporters showed in the committee—government supporters led mainly by the Minister of Justice, who was a member, and by the chairman of the committee—of insisting that such evidence would be meaningless and beyond the powers of the members of the committee to apprehend, it is extraordinary to say the least, to note the same minister who said that even if we did make that

full study it could not be of any value to us, now producing the relatively infinitesimal amount of statistical information with which we have been served in the course of his speech tonight, and stating solemnly that the statistics he has quoted justify the conclusion that price maintenance operates to the disadvantage of the consumer. It is a most atrocious contradiction in attitudes. This same minister who said we could not and should not take the time to have these figures produced because we could not understand them and because they would not prove anything in any case now states, according to page 21 of the text of his remarks tonight:

These statistical data—

Based mainly on United States statistics, not Canadian.

—are sufficient to establish two generalizations that hold true, broadly if not universally, of the effect of resale price maintenance.

The minister in charge of these proceedings who told the joint committee of parliament that they should not have figures because they could not understand them and because they could not base any conclusions on them now comes solemnly into this house with two or three American figures and says that "these statistical data" are sufficient to establish the proposition that price maintenance operates to the detriment of the consumer.

The result of that extraordinary mental process and the insistence of the government majority that we were not allowed to have any adequate evidence is that the joint parliamentary committee was not and this house is not in possession of sufficient facts and figures from which to draw any conclusion that price maintenance does in fact operate to the detriment of the consumer. But as though there were not a sufficient limitation placed upon our deliberations by the refusal to allow us to get statistical figures, our deliberations were further stultified by the limitation of the time available for the consideration and study of this problem. A few figures here will, I think, suffice to demonstrate what I have said. Our sittings started on November 13 and concluded on December 7. During that time we held nineteen sittings, of which one was an organizational meeting and the last two were executive sessions. We only had sixteen sittings during which it was possible to hear evidence and examine witnesses. In that short time, sixteen sittings, we were expected to consider forty-two briefs, two supplementary briefs, three briefs by way of letter or resolution, the foregoing being material which was laid before the committee, making quite an impressive list, in addition to many hundreds of private wires and letters received by members.

For all that mass of information and opinion we were allowed just sixteen sittings to examine witnesses, consider the representations, discuss the problem and arrive at an intelligent conclusion on it. I am not one who shares the rather low opinion that members of the government obviously have of the capabilities of members of parliament but even I, although I do believe we could have comprehended statistical data, certainly do not set our ability so high that I would say we could arrive at an intelligent conclusion on the great volume of matters laid before us within the time which we were allowed to consider them.

In contrast to this general refusal to allow our committee to get any facts and figures on which we might base an intelligent opinion is the attitude of the Minister of Justice (Mr. Garson) that the MacQuarrie committee's conclusions must be accepted because they are a group of experts. That opinion is, I think, completely disposed of when one considers the evidence of three of the witnesses who appeared before the special committee, to the effect that the MacQuarrie committee had neither asked for nor been provided with facts and figures from the witnesses appearing before them to substantiate the simple statements of opinion which they had heard. I refer to Mr. Harris, the president of the Canadian retail federation, Mr. Preston, secretary-manager of the Canadian pharmaceutical association, both of whom said their organizations had neither been asked for nor provided any statistical data to the MacQuarrie committee, and Mr. Fred McGregor, who stated from his knowledge of the matter he considered it proper that the MacQuarrie committee had not had any such evidence

I submit that the facts I have presented establish that we have not sufficient evidence to justify the legislation outlawing price maintenance which we are now asked to endorse. On the other hand we do have evidence that it is extremely unlikely that the enactment of this legislation would have any substantial effect on the cost of living. You see, Mr. Speaker, we are being asked to embark upon this course largely as a result of political pressure which has been built up throughout the country, inspired by the government's propaganda to the effect that if this legislation is introduced the cost of living will be substantially reduced. Against that I would cite the opinion of the Prime Minister of Canada (Mr. St. Laurent), as reported at page 41 of *Hansard* for October 15, in the course of the throne speech debate. He said:

. . . and again I can say that as regards immediate additional measures to curb inflation, while others

may develop, the only one we are prepared to submit at this time is the one that will arise out of this report of the combines committee with respect to resale prices. I do not think that is going to have a very substantial effect on the index of the cost of living . . .

That is the opinion of the Prime Minister of Canada, a man whose experience in these matters I would put as at least comparable to that of the Minister of Justice (Mr. Garson). Not only do we have that opinion, but we also have statements from witnesses appearing before the special committee to the effect that it is highly unlikely it will have any substantial effect on living costs because of the very minute quantity of goods entering into the cost of living index which are subject to resale price maintenance.

Now it is a fact that there is no statistical study of this matter. One would have thought again that if the government wished to substantiate its case it would have a statistical study of this type of question carried out by the dominion bureau of statistics. But there are no statistics as to the percentage or quantity of goods and services subject to resale price maintenance which enter into the cost of living index. But some of the witnesses appearing before the committee gave well-informed opinions on the matter, and I would refer particularly to the evidence of Mr. Harris, the president of the Canadian retail federation, as found at page 267 of the report of the proceedings of the committee. I asked Mr. Harris the following question:

What percentage of goods which are subject to price maintenance would be purchased by that family?

Mr. Harris replied:

The only guide I can give you, sir—and I am relying entirely on memory—perhaps Mr. McKee can help me on that—but I think something like 5·7 per cent or 6 per cent of purchases from department stores are of that type of goods.

As I say, these are only informed guesses, but it seems to me reasonable to assume that the broad category of purchases from a department store would be in general the type of purchases which would enter into the monthly budget of a family. Some would not because they are luxury goods, but by and large it seems to me they would be the type. Only 5·7 to 6 per cent of such goods are subject to price maintenance, and I believe it is estimated that only ·066 per cent of all foods are subject to resale price maintenance. Therefore it seems safe to say that the practice of resale price maintenance would affect less than 5 per cent of articles entering into the cost of living index. If that be the case, then it is surely folly to say that to eliminate price maintenance is going to have any substantial effect on the cost of living. Indeed it seems to me this argument is used by the government to whip up prejudice, and in a further attempt to avoid allowing us to arrive at an intelligent conclusion on the matter.

The next consideration is that we have no positive evidence that price maintenance has a harmful effect on the consumer with respect to prices. Not only is there no evidence that its elimination will have any effect on the cost of living; in addition there is no positive evidence at the present time that price maintenance is detrimental to the public with respect to prices. Here I would refer largely to the evidence of Mr. Fred McGregor who, I think it fair to say, was one of the main witnesses for the government appearing before the committee. It is also interesting to note that Mr. McGregor was the one and only outside witness the committee was allowed to call before it.

Mr. Sinclair: The Tories wanted him.

Mr. Fulton: That is quite so but we also wanted others. We are not prejudiced like the government. We did not want to hear only one side of the matter. We genuinely wanted to get all the evidence and information available.

Mr. Sinclair: He was your man and you got him.

Mr. Fulton: We asked for Mr. McGregor and a number of other witnesses but it is significant to note that after Mr. McGregor had appeared and read a brief which was highly favourable to the government they closed off all further witnesses and absolutely refused to allow the committee to call any other outside witness who might have shed any light on the subject.

Mr. Sinclair: He was a Tory witness.

Mr. Fulton: Quite so; he was asked for by us, but it will not be denied—

Mr. Sinclair: A dandy, too.

Mr. Fulton: Perhaps I did not understand the hon. gentlemen. I have said before that Mr. McGregor was called on the initial suggestion of members of the opposition, and I have no apology to make for that. But I think there is some explaining to be done on the part of the government as to why, after hearing him, they refused to allow any other witnesses to be called as requested by us.

Mr. McGregor, whose evidence is relied on to such a great extent by the government, makes it quite clear that his opposition to the practice of resale price maintenance is based entirely upon theory, and that it proceeds in no way from any conclusion or

finding of fact on his part that the practice of price maintenance operates to the detriment of the consumer by increasing prices. I refer the house to the evidence of Mr. McGregor, as reported at page 596 of the proceedings of the committee, where I asked this question:

Q. . . . then do I take it that in arriving at your conclusion that it is against the public interest—

That is, the practice of resale price maintenance.

—you divorce from your mind any consideration of whether or not in the long run it operates to reduce prices to the consumer? Do I understand you are simply saying that because it restricts competition it is adverse to the public interest?

A. That is pretty much the basis of my own thinking on it, except that I would add that not every restriction of competition should be regarded as offensive; it must be an undue restriction.

Q. Your opposition to price maintenance as set forth in your brief proceeds entirely from your proposition that it is a restriction of competition, and not at all from the basis that it affects the public adversely from the point of view of the ultimate price to the consumer?

A. Correct, undue restriction of competition is the basis in my opinion.

You therefore see, Mr. Speaker, that it is the definite and unequivocal opinion of the star witness for the government that price maintenance should be opposed not because it has any adverse effect upon prices or that it affects the consumer price-wise, but simply because of his theory that it is an undue restriction of competition.

Together with that fact, Mr. Speaker, I ask the house to consider this significant point. It is in no wise the manufacturer who is responsible for price maintenance. An attempt has been made by the government, through its propaganda, to create the impression throughout the country that this practice of resale price maintenance is brought about by powerful manufacturers' organizations seeking, to serve their own selfish interests only, to gain control over the whole Canadian economy and to grind consumers by raising prices. That is the impression they have sought to create but it is one that is most definitely at variance with the facts; because the evidence—such evidence as we were allowed to get before the committee—definitely tended the other way. Again I rely upon the evidence of Mr. McGregor in this connection, that it is not the manufacturer who wants this, that it is not even the manufacturer who benefits mostly by it, but that it is the small retailers who want it. I ask the house to consider Mr. McGregor's answer as found at page 596 of the proceedings of the committee in reply to this question:

Q. You have also I think referred to the desire of the manufacturers to have their prices maintained. Now, as between the manufacturer and the retailer, who benefits most, who wants it most?

A. Unquestionably the retailers.

There was no hesitation or equivocation about Mr. McGregor's answer: Unquestionably the retailers. I therefore ask the house again, Mr. Speaker, in considering this matter, to bear in mind that such evidence as we have not only fails to establish that price maintenance has an adverse effect upon the consumer with regard to prices, or an adverse physical effect upon prices; but that there is evidence that establishes quite conclusively that it will have little or no effect in reducing the cost of living, if outlawed; and furthermore, that it is the small retailer who desires it—and designed it—as a form of self-protection and not the manufacturer who wants it to enlarge his influence.

I see that it is close to ten o'clock. I just want to lay before the house one other consideration and then the amendment which I propose to move, before adjourning the debate. The other consideration with which I wish to deal just for a moment is the question of whether or not there is adequate protection against the practice of loss leaders which are so much feared by the small retailer and by which he feels he will be knocked out if price maintenance is eliminated. The minister says: Well, we will get evidence on this matter, and if any untoward practices develop we will act to meet them. On this subject of whether or not the elimination of price maintenance by the passage of this bill will harm the small retailer the government in effect says: Wait and see. The Minister of Justice (Mr. Garson) has said: Pass the legislation and let us put it into effect; then we will take a good look at it, and if we see that it is having harmful effects on the small retailer, then we will consider some adequate form of protection. That has been said in the committee as well as implied in the house.

This surely is a most irresponsible and callous attitude for a government in charge of the administration of the nation's business to adopt. It reminds me of nothing more than the cases we so often read about in the paper, of the small boy who picks up the gun, pulls the trigger and then, when his father or brother lies dead on the floor, says: I didn't know it was loaded. But in this case the difference is that the government is deliberately pulling the trigger first, not just because they did not know it was loaded but because they had a shrewd suspicion that it was loaded but they thought this was the best way of finding out whether it would have damaging results. What they are saying is the same as if a doctor said: We do not know whether the medicine will cure or kill, but

let us administer it to the patient anyway, whether he likes it or not; and then if he dies, we can always hold a post mortem to find out whether the cure was responsible for the death.

For the reasons which I have outlined in part so far, Mr. Speaker, we feel that this legislation is being proceeded with without adequate consideration, that it should be given much more consideration, and that alternative methods of protecting the small retailer must be enacted simultaneously with any legislation eliminating price maintenance. I therefore propose to move,—and the motion will be seconded by the hon. member for Eglinton (Mr. Fleming):

That this bill be not now read a second time but that it be read a second time this day six months hence.

Mr. Speaker, I move the adjournment of the debate.

Some hon. Members: Question.

Mr. Speaker: Order. If I now put the question on the amendment—

Mr. Fulton: No, Mr. Speaker—

Mr. Speaker: If I read the amendment now, the hon. member for Kamloops will not be allowed to speak further tomorrow. Does he wish me to read the amendment now?

Mr. Fulton: No, Mr. Speaker. I thought I had covered that point. I said that I proposed to move, at the conclusion of my address, the following amendment. Then I asked to be allowed to move the adjournment of the debate. I handed in the amendment, I must confess, but perhaps it could just be taken for information purposes.

On motion of Mr. Fulton the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will continue consideration of this Bill No. 36; and I would announce all the other items on the order paper, without giving the order in which they will be taken because I do not know how long this debate will last.

Mr. Drew: It will not be necessary to announce anything else.

Mr. Fournier (Hull): Nothing else?

Mr. Drew: No.

Mr. Fournier (Hull): In case I should be caught, I will announce every other item on the order paper.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Tuesday, December 18, 1951

The house met at eleven o'clock.

THE LATE ARTHUR L. SMITH

TRIBUTE TO FORMER MEMBER FOR CALGARY WEST

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I had a word with the leader of the opposition (Mr. Drew), the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Peace River (Mr. Low) after I heard over the radio this morning the sad news of the death of Mr. A. L. Smith. We all felt that, though it would be a departure from the usual practice of the house, it would be the wish of all hon. members that we ask you to send Mrs. Smith a message of our deep sympathy in her bereavement.

I think there are two principal reasons for such a departure in this case. One is that Mr. Smith was a member of the House of Commons during this very parliament and up to the end of the last session, when he resigned only because the state of his health was such that he felt he could no longer devote to the discharge of his duties the time and close attention that he felt such duties required. And the second, and I think the very compelling reason, is that during the six years of his membership he had, by his great qualities of intellect, of humour and of warm-hearted love of his fellowmen, endeared himself to each and every one of us, and secured in our regard for him a place of high esteem and enduring affection.

I trust, Mr. Speaker, that you also will feel it is proper to make this departure from our usual practice, and convey to Mrs. Smith the expression of our condolences and of our lasting admiration for a dear personal friend, a distinguished citizen, a great lawyer and a great parliamentarian.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I know every hon. member will appreciate the very gracious words with which the Prime Minister (Mr. St. Laurent) has paid tribute to a dear friend of every one of us. I feel, too, that the exception he has made on this occasion, for the reasons he has explained, will meet with the approval of all hon. members.

I know that the death of Mr. Smith is a shock to every one of us, because by his gaiety and wit, combined with his wisdom, he left upon the minds of members of the house an impression which certainly will not be forgotten during the lifetime of any of us.

I had the privilege of being with him in his home just a little over two weeks ago, and I thought he looked better than he had at any time since he was compelled to leave here last spring, owing to ill health. The occasion of two weeks ago was a typical evening in the Smiths' home. His family were there. I believe all who knew him well—and that would include members of the House of Commons—realized that it was one of the most closely-knit families one would find.

Every afternoon his son and daughter would drop in and, with that familiarity which expresses respect, in recent years they always addressed their father and mother as Sarah and Art, as indeed all the rest of us did.

I know that those who do not belong to the party to which he belonged will not misunderstand me when I say that, when I saw him last, he was confident that Carl Nickle would be coming down here; and Mr. Smith had promised to be here on the occasion of the swearing in of the new member. We were all looking forward to the reunion, because I think it may be said with confidence that no member of the House of Commons has more completely shared the affection of all members than did Art Smith during the years he served here.

Through his service in the House of Commons he made a great sacrifice, a very great sacrifice indeed, for his own community and for Canada. As the Prime Minister has said, he was an outstanding lawyer. His name is associated with some of the most famous cases in western Canada; and it was only a compelling sense of public duty that persuaded him to offer himself for service in the House of Commons.

I believe it may be said that in some measure his life was probably shortened by the fact that he was compelled to be away from those surroundings which meant so very much to him. He and his wife were fond of music, were fond of fellowship, were fond of simply being with other people and sharing ideas about the daily things that happened and that meant so much to every one of us.

He was known in his early days as Sport Smith. I recall that fact because one of the causes of his great popularity was that in

everything he did, whether by way of witty comment or of sharp criticism, he was always a sport in the very best meaning of that word.

Calgary has lost an illustrious son and Canada has lost a truly faithful public servant. I know that all of us would wish to join in the expression of sympathy to his wife and family. We would wish particularly to convey to his wife Sarah the thought that all members of this house who knew him so well are in some measure sharing her sorrow at this time. I think we will all hope that there may be some very real comfort in that knowledge.

Because it is so difficult to realize that this gay and vital personality is gone, it seems natural to close these remarks with the sort of expression we might have used in our ordinary meetings: Good-bye, good old Art, we will be thinking of you.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure that every member of this house joins in the gracious tributes paid by the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) to the memory of one who not only adorned this chamber but who often enlivened a dull evening with a witty contribution. Only ten days ago I happened to be in the west and I spoke to Mr. Smith over the telephone. He told me how well he was feeling and I was very glad indeed to know that the rest was doing him good.

We shall long remember him. Regardless of our political differences in this house we do admire a bonny fighter, a man of courage and of wit, as he was. Mr. Speaker, we join with all others in this house in extending to Mrs. Smith, a charming personality herself, and to his family our heartfelt sympathy in their loss.

He was always busy, kindly, interested and friendly. I think it might be fitting to say that we all hope and pray he may rest in peace.

Mr. Solon E. Low (Peace River): Mr. Speaker, those who have preceded me have in fact spoken for all of us. There is little that I can add to what has been said already by way of tribute to this great man except to say that while I was a member of the Alberta government I was more or less closely associated with Art, who was the crown prosecutor in Calgary for a good many years. During those years of close association I learned to admire his great capacity, his great abilities and to know him for the lovable character he was.

When I came to the House of Commons and shared with him membership in this assembly I learned to love him even more. On behalf of our group I want to say that we do join in the gracious and loving tributes that have been paid this morning to our departed friend, and join with others in extending to Mrs. Smith and the family our deep regrets and assuring them that we are with them in spirit at this time of their trouble.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I believe I knew Art Smith better than anyone else in the house. We were elected to the House of Commons at the same time in 1945. We came down to Ottawa together and occupied the same office throughout the time he was a member. Probably no two men ever enjoyed a closer, finer and more harmonious political partnership and friendship, one which to me was an education and inspiration. Art Smith had an extraordinarily quick mind and an unusual gift of expressing his ideas in forceful and clear language. His wit was proverbial in this house and in Calgary, and I think probably I can say throughout the country.

His death is a great shock and a great loss to all of his very wide circle of friends. I wish to join with others in offering my deepest sympathy to his wife and family and to express my own grief at the loss of a great friend and a great Canadian.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, as Art Smith's deskmate, perhaps I may be allowed one word. He had the unique gift of winning the love and admiration of all who knew him and I am sure that none of us here will ever forget him.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, as one of the senior members of the house I wish to join with those who have paid such fine and well-deserved tributes to our departed friend. You must remember, sir, the evening when you were kind enough to call me over the telephone to invite me to a reception you were giving for the late Mr. Smith after he had delivered his famous farewell speech in the House of Commons. That speech will always be considered as a classic example of parliamentary eloquence. I had the privilege through you of meeting Mr. Smith for the last time with some of his friends in your study. At the time he was suffering from the illness which took him away, but he was just as genial, kindhearted and thoughtful as ever. I had one more occasion, thanks to you, to appreciate his serene philosophy of life.

Mr. Smith was an outstanding member of the bar, of the Canadian Bar Association and of the House of Commons of Canada. He made a success in each field that he entered. Why? Because, as has been so well said, not only was he gifted with a powerful intellect, he had a big and generous heart. This is the reason why this faithful servant of the people before the bar of his province and of Canada at large, as well as in the House of Commons of Canada, belongs to a legion. He will belong forever, like Tommy Church and others of my dear friends, to that legion. Why? Because he has done his duty and because he has been so generous and kind to all. I wish to convey my heartfelt sympathy to his charming wife, Mrs. Smith, to his children, and to his roommate and closest friend in the House of Commons, the hon. member for Calgary East.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I am sure many of those who were associated with Art Smith in the days when he was "Sport" Smith would expect me as one of two members of this house who were of the group to express a word on their behalf. The hon. member for Fort William was associated with him in the days when he became known as "Sport" Smith in the college life of the city of Winnipeg. I myself had the privilege, and it was a privilege, of engaging in contests with him on the football field in Regina as long ago as 1904 and 1905. From then until the time he left this house a very close understanding and friendship existed between us.

Reference has been made to the fact that he thought quickly. Anyone who ever contested with him in sport on the football field or on the hockey ice knows that his quick thinking was not only a fact of recent years. He was one of the most effective players of his time and earned the title of "Sport" Smith because of his quick thinking followed by action on the football field and hockey ice. I am sure all those who were about his own age and who are still with us would expect me as one who knew him in those days, and who was associated with him, usually on an opposing team, to say a word of appreciation of the long association we had with him as athletes in the early days and in politics in later years. I do not need to say that I have already sent a message of personal sympathy to Mrs. Smith, and am very anxious to join with members of the house in extending the sympathies of the whole house to the family of one who was appreciated, respected and liked, both in his days of sport and in his active political life, by opponents and those who were associated with him as well.

Mr. Speaker: If it is the wish of the house I shall immediately send a telegram of sympathy to Mrs. Smith, and when *Hansard* is printed tomorrow I shall write to Mrs. Smith and send her a copy of these proceedings.

(Translation):

PRIVILEGE

REFERENCE TO EDITORIAL IN "LE DEVOIR"

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, I rise on a question of privilege in order to call the attention of the house to an editorial published in yesterday's *Le Devoir*. This newspaper criticizes certain remarks I made in this house on the Canada Elections Act. The writer of this article expresses opinions which differ from mine; that is his privilege. There is however one statement against which I wish to protest most energetically. It is stated there that French is only my second language.

Mr. Speaker, I flatter myself that I speak French and English with equal facility but if there is one language which is most assuredly not a second language with me it is French. I have learned French as a child, in my own home; my whole upbringing has been in that language.

I was a student in the Quebec seminary for eight years and at Laval university for three more. All my studies, in these two institutions, were carried out in French.

That is why I wish to put matters right and to state, most emphatically, that French is certainly not a second language with me.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, a friend of mine told me that *Le Devoir* was taking me to task, along with my distinguished colleague, the hon. member for Iles-de-la-Madeleine (Mr. Cannon). I do not know what *Le Devoir* has said because I sent that newspaper back when I found out it was falsifying my speeches and I have not read it since then. If *Le Devoir* feels I am wrong, that means I am right.

(Text):

POSTAL SERVICE

REQUEST FOR MAIL DELIVERY AT WOODROFFE, ONT.

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): It is possible that this question should be, regarded as a notice rather than as a question because the matter was brought to my attention just this morning. I am directing my inquiry to the Postmaster General and it relates to earlier questions. In view of the very great increase in population, and the extremely heavy mail delivery to Woodroffe on the outskirts of Ottawa, is it

possible that delivery from house to house may be arranged there instead of the present very difficult arrangement of picking up that mail from the local post office? I end these remarks by saying that I would naturally expect the answer that this will be merely treated as a notice on this occasion.

Hon. Edouard Rinfret (Postmaster General): I will take it as such.

Mr. Graydon: Look over Lakeview, Ontario, at the same time.

NATIONAL DEFENCE

FRENCH-SPEAKING OFFICERS IN ARMED FORCES

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of National Defence. In answer to a question by the hon. member for Three Rivers (Mr. Balcer), last Thursday the department stated in a return that of 700 officers in the Canadian forces above the ranks of lieutenant commander, major and squadron leader only 17, or 2½ per cent, are French-Canadians.

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Hees: In view of the fact that they are providing one-third of our fighting forces in Korea and Europe and, in the opinion of those who served with them overseas, they are the equal—

Some hon. Members: Order.

Mr. Hees: —of any servicemen who ever fought for this country—

Mr. Speaker: Order. I think the hon. member is going a little beyond my ruling of the other day. I suggest he might put his question now.

Mr. Hees: I was just coming to it, Mr. Speaker. Will the minister—

Mr. Mayhew: I would expect the hon. member for Peel (Mr. Graydon) to raise the same objection that he raised the other day.

Mr. Hees:—tell the house why his department has promoted only such a very small proportion of French-speaking Canadians, in view of their proven ability and courage? I believe that all members of this house—

Some hon. Members: Order.

Mr. Hees:—will agree that they are deserving of equal opportunities for promotion.

Mr. Abbott: Answer in French.

Hon. Brooke Claxton (Minister of National Defence): Yes, Mr. Speaker, I will be very glad to answer, and I will make it a good deal shorter than the question. The answer is that the relatively small number of French-speaking officers holding senior posts in the armed forces is due to the fact that there were a relatively small number of French-speaking officers in the armed forces in 1939 who are still in the armed forces. Altogether there are only 24 French-speaking officers in the armed forces today who were in the armed forces in 1939. A list appears in *Hansard* for yesterday showing the ranks they held then and the ranks they hold today, and I think it will indicate that they have done very well indeed.

AUXILIARY SERVICES IN KOREA—USE OF WELFARE AGENCIES

Mr. W. G. Dinsdale (Brandon): I wish to direct a question to the Minister of National Defence. In view of the discussion which has taken place in the house during the present session, has the government made any decision concerning the offer of the voluntary welfare organizations to provide welfare services for the armed forces?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I have nothing to add to what has already been said in that connection. There is, we believe, neither occasion nor opportunity for using the welfare agencies in action in Korea. There is only one there, which is a small unit of the Salvation Army, which was in Japan with the Australian occupying forces, and it moved with the Australian regiment to Korea. There are no other welfare agencies. No responsible person who has been there has recommended to me that there should be any welfare agencies. In fact, the only recommendations regarding welfare we have received from responsible people who have been there are to the effect that friends of the troops should write more often, more local news should be sent, and there should be Canadian entertainment.

IDENTIFICATION FOR SOLDIERS ON LEAVE IN NATO COUNTRIES

Mr. Gordon Graydon (Peel): May I direct a question to the Minister of National Defence? Is it true that Canadian soldiers in the 27th brigade who are going on leave to various NATO countries in Europe are required to have a passport before they enter those countries? If so, who is paying the $5 for the passport fee that is so charged?

Hon. Brooke Claxton (Minister of National Defence): This is one of the questions which depend on the adoption of legislation by the other countries along the lines of the legislation that we have already passed through both houses this session. So far as I know, no other countries have yet adopted

that legislation. In the meantime, however, our soldiers do not carry passports; they carry identification certificates, for which no charge has been or will be made. I am informed that these identification certificates will be accepted by other countries in lieu of passports.

RYE AND FLAX

REQUEST FOR CONSIDERATION OF PLACING CROP UNDER WHEAT BOARD

On the orders of the day:

Mr. G. M. Ferrie (Mackenzie): Since this session is drawing to a close, I wonder whether the government would give consideration to putting the 1952 rye crop under the wheat board?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, this is rather a searching question on government policy—

Mr. Ferrie: I do not need an answer.

Some hon. Members: Oh, oh.

Mr. Speaker: I understand the question is withdrawn?

Mr. Ferrie: No. I do not need an answer. I just asked for consideration; that is all.

Mr. Sinnott: I should like to add a question supplementary to the question asked by the hon. member. When the minister is considering putting rye under the wheat board will he also consider flax?

BUSINESS OF THE HOUSE

Hon. Alphonse Fournier (Minister of Public Works): Before proceeding with the orders of the day, and considering Bill No. 36, may we move concurrence in the amendments made by the Senate to Bill No. 33?

Mr. Speaker: I understood the hon. member for Queens wanted to ask a question.

CANADIAN NATIONAL RAILWAYS

ACCIDENT AT TRAVELLERS REST, P.E.I.

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Thank you, Mr. Speaker. I desire to direct a question to the Minister of Transport. Has the minister been advised of the tragic accident at Travellers Rest, Canadian National Railways crossing, Prince Edward Island, on Wednesday last when two people met death, and three more were seriously hurt?

Hon. Lionel Chevrier (Minister of Transport): Yes, I have been advised of the accident. An investigation is taking place at the moment.

ST. LAWRENCE WATERWAY

ST. LAWRENCE SEAWAY AUTHORITY—CONCURRENCE IN SENATE AMENDMENT

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 33, to establish the St. Lawrence seaway authority.

Mr. Adamson: Will the minister explain the amendment?

Mr. Chevrier: This is an amendment to section 7 of the act, which has to do with the powers of the president. It is a cutting down of the powers, and the amendment reads as follows:

7. (1) The president is the chief executive officer of the authority, is charged with the general direction and control of the business of the authority, and shall have such other powers as may be conferred on him by the bylaws.

In other words, it gives to the other directors the authority to pass bylaws authorizing the president and general manager to do certain things. The government is prepared to accept this.

Mr. Adamson: To what extent does it restrict the president's powers as compared with the original legislation?

Mr. Chevrier: Unfortunately I have not section 7 before me. But section 7, over and above giving to the president the control of the corporation and also authorizing him to delegate to the other members of the authority powers, has no longer that discretion here except that they be given to him by the bylaws. In other words, the bylaws may authorize the president to have such authority. As I said originally, it is a cutting down to some extent of the authority of the president.

Motion agreed to, amendment read the second time and concurred in.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed, from Monday, December 17, consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, when the house rose last night I had dealt with the fact that the government has denied us the right to obtain evidence of the effect of price maintenance on prices in Canada, so that we are in no position to determine whether or not it hurts the consumer. I had then shown that there is no evidence that its elimination would result in a reduction in the cost of living; whereas there is

evidence that the number of items which are subject to price maintenance, and which enter into the cost of living index, is practically negligible. Therefore we are absolutely without evidence from which to make up our minds whether this practice hurts or helps the consumer, and certainly without evidence on which to base the harsh criticisms made by the Minister of Justice (Mr. Garson) last night.

The government's whole approach to this problem has been to raise great hopes in the minds of the public that they will do something to reduce living costs. Having raised those hopes they find themselves impotent to act effectively, and they are now seeking a way out of their awkward position by an attempt to make a scapegoat of the small retailer who relies on price maintenance for his protection. If this bill passes it will be at the expense of the retail merchant who is being condemned unheard.

I quoted the evidence of Mr. Fred McGregor, the star witness for the government's case, to the effect that it is not the manufacturer who wants or benefits most from this practice, but the retailer. This fact should be most carefully assessed. It shows the error of those government propagandists who seek to whip up prejudice by painting a picture of greedy manufacturers weaving a web of control over the whole economy. The truth is that the system of price maintenance was worked out by the small retailers as a means of self-protection against the power of big interests. In the absence of any conclusive proof to the contrary—and certainly none has been offered —our position is that anything which preserves and promotes a system whereby trade in Canada is shared amongst a large number of independent businesses, and prevents a further concentration of control in the hands of a few powerful interests, is in the long-term interests of our general economy, including the consuming public.

Before passing on to the next consideration, that is the extent to which the retailer may be harmed if this legislation passes, I think we should mention the fact that, while there is no positive evidence that the principle itself is harmful, there is some evidence which we did manage to get on the record—even though the government resisted—to show that the practice has been beneficial in a small way. I should like to refer to some figures in this respect, but without drawing general and sweeping conclusions from them as the minister was prepared to draw last night from the few figures which he put on the record. I feel it is important to have them before the house so that it can be shown that there are figures which tend to establish that price maintenance is not harmful but rather beneficial to the consumer.

I would refer particularly to the table which appears at page 787 of the committee's proceedings. It was furnished to us by the Retail Hardware Association of Ontario. I would ask the permission of the house, Mr. Speaker, to place this table on *Hansard* as it appears in the committee proceedings.

Some hon. Members: Agreed.

Mr. Fulton: The table is as follows:

	1939	1951	% increase	Retail mark-up in % of retail price
Paint (gallon outside white)				
Price maintained				
Imperial varnish "Floglaze"	4.35	7.40	70·1	21·6
Lowe Bros.	4.45	7.45	62·9	21·4
Canadian Industries Limited "CIL"..	4.20	7.45	77·4	22·1
Not price maintained				
Scarfe's	4.00	7.35	83·7	22·4
Average 1951 price				
Flashlight batteries (each)				
Price maintained				
National carbon No. 2 "Eveready"..	.15	.196	30·7	31·2
Floor waxes (1 pound paste)				
Price maintained				
Edward Hawes "Hawes"	.45	.5194	15·4	17·0
Boyle Midway "Old English".....	.49	.6075	24·0	25·8

Combines Investigation Act

	1939	1951	% increase	Retail mark-up in % of retail price
Electric light bulbs (60 watt bulb)				
Price maintained				
Canadian General Electric	.20	.196	—2	25·0
Aluminum cooking utensils				
Price maintained				
Aluminum Goods Mfg. "Wear Ever" (#141 double boiler)	2.15	3.88	80·4	33·4
Supreme Aluminum "Standard" (#402 double boiler)	1.55	2.70	74·2	33·5
Not price maintained				
General Steel Wares "Triumph" (# 53 double boiler)	1.45	2.99	106·2	33·1
Hand tools				
Not price maintained				
Nail hammer 51½ Stanley, 16 oz. bell faced	1.50	3.19	112·17	33·2
Hand saw Disston D-8, 26"-8 point..	4.00	7.01	75·3	33·6
Brick trowel, Rose #110 Philadelphia pattern	2.90	5.35	84·4	33·6
Level #1294 Stanley, 24" carpenter..	.70	1.82	158·8	33·5
Carpenters planes				
Stanley #4 smooth	4.75	10.10	112·6	33·3
Stanley #78 rabbet	3.75	7.99	113·1	32·2

National price trends (D.B.S.)

	1939	1951 (Sept.)	% increase
All commodity prices	100	221·6	121·6
Food	100	251·1	151·1
Clothing	100	206·9	106·9
Home furnishings	100	199·1	99·1
Cost of living index	100	189·8	89·8

I should like to refer to some figures in that table, showing trends for both price-maintained and non-maintained lines of goods. They show, first with respect to paints, the percentage increase in price from 1939 to 1951 in the price-maintained lines averaged about 70 per cent, whereas the increase in a line of non-maintained paints was 83·7 per cent in the same period. The table also contains a comparison between maintained and non-maintained items of a type which enter into the requirements of an ordinary household, aluminum cooking utensils. The Supreme Aluminum "Standard" No. 402 double boiler showed a price increase from 1939 to 1951 of 74·2 per cent, that article being price maintained, whereas General Steel Wares "Triumph" No. 53 double boiler, non-price-maintained, showed an increase of 106·2 per cent. It is significant, Mr. Speaker, that the two articles started from the point where the non-maintained article was 10 cents lower in price in 1939 and they ended up with the non-maintained article 29 cents higher in price in 1951.

This table contains other figures which tend to illustrate that, in the general field of commodities not covered by price maintenance, the percentage increase in price during that period has been very much higher than the percentage increase on prices which are subject to price maintenance. The other interesting feature showed by this table is that the profit margins for those lines of goods taken by the retailers on both price-maintained and non-maintained lines are so close as to be almost identical in the different categories of goods of the same quality. I believe it can be said that there is evidence to the effect that price maintenance, instead of hurting the consumer in those respects, benefits him.

There are two other tables to which I should like to refer. The first is found on page 641 of the committee's proceedings, and is a table submitted by the Canadian Association of Radio and Appliance Dealers. They show the profit margin as between price-maintained and non-maintained goods. For washers they show an average discount under resale price maintenance of from 30 to 35 per cent, and for non-price-maintained, of from 40 to 46 per cent; for electric stoves, the price-maintained average was 33½ to 37½ per cent, and the non-price-maintained average was from 30 to 50 per cent. For refrigerators, the comparable figures are 30 to 35 per cent against an average of from 35 to 50 per cent on non-maintained items.

The next table, beginning at page 643 of the committee's proceedings, is of particular interest since the Minister of Justice last night stated as a fact, without any evidence to support it, that resale price maintenance effectively eliminates competition. I am not going to go into detail on this point, but I do wish to state that that was a conclusion which was not warranted by the evidence before us. The evidence before us shows that, though there is a restriction on competition in one way, that is vertically, in effect there is created a greater and more effective competition between manufacturers and retailers of competing lines. This tendency is borne out by the table appearing on page 643 of the committee's proceedings. It shows that in the field of the electric appliance manufacturing industry, which has been so much condemned because it follows this practice of price maintenance, far from there being too little competition there is as much competition as in any other field, if not more. In the field of radios there are over seventy different brands competing generally in Canada; in electric refrigerators twenty-eight different brands; electric stoves, twenty-three different brands competing in Canada; and in electric washing machines, seventy-five different brands all competing for the market. It simply cannot be said, therefore, that resale price maintenance eliminates competition when you have that number of brands competing in the Canadian market, unless the minister is prepared to say that, for instance, some seventy-three makers of washing machines have all united to form a gigantic combine to eliminate competition between them. If that is the inference we are to draw from the minister's remarks, it is a sorry reflection upon his administration of his own department, and the efficacy of the combines administration branch, which latter implication I for one do not accept.

[Mr. Fulton.]

We have seen that there is an almost complete lack of evidence as to whether harmful effects follow from this practice of price maintenance. On that basis we submit there is no justification for taking the drastic steps contemplated by this legislation. This position is reinforced by the fact that there is specific and convincing evidence of the dangers and disadvantages which will follow to the small retailer. I have mentioned the fact that it is not the big manufacturer but the small retailer who designed and wishes to maintain the assistance of this practice, as shown by the evidence of Mr. McGregor, where he said the person who wants it and benefits most is, unquestionably, the retailer, not the manufacturer.

I should like to refer to the evidence contained in the brief submitted by the president of the Trades and Labour Congress of Canada, as reproduced at page 380 of the proceedings of the committee. In the brief which he submitted, Mr. Bengough pointed out that in the view of the Trades and Labour Congress of Canada the elimination of resale price maintenance, far from increasing competition, might in fact lessen it to the detriment of the independent operator. Here is what Mr. Bengough said:

> Before accepting these general conclusions without reservation, it might be worthwhile to consider what would happen in specific cases when and if the law is amended to make resale price fixing practices illegal. Take for example two large manufacturers of men's clothing. The one manufacturer owns or controls, or owns and controls, his retail outlets. He, of course, has full control of the resale prices of his products. The other manufacturer operating in direct competition with the first does not own any retail outlets. He, however, provides services to those independent retailers who handle his products and, as well, fixes the resale price of his goods. If the practice of resale price maintenance is ruled illegal, it would seem fairly obvious that the second manufacturer would be required to cease his present practices. Would the first be required to stop fixing the retail price of his goods which are sold through his own retail stores? If the answer to this question is in the negative, then will not the result of the new law be to reduce effective competition in the men's clothing trade rather than to strengthen it?

Perhaps the most conclusive evidence that it is the little man that wants this resale price maintenance as a form of self-protection is to be found in the fact, already referred to, that the big men represented by Eaton's and one or two other large department stores have come out definitely as being opposed to the practice.

Upon the question of whether or not there is in fact danger of disaster to the small retailer if price maintenance should be eliminated, it must be recognized at the outset that there is a great deal of conflicting opinion. There is much theory, based upon a difference in economic circumstances

between now and former years, and alleged differences in trading conditions which that brings about, enlarged upon by the minister and particularly emphasized by Mr. Fred McGregor who, as I have pointed out, based his whole opposition to resale price maintenance exclusively on theory and who rejected any consideration of fact and physical results in arriving at his conclusion. There is much theory to the effect that the elimination of this practice will not adversely affect the retail merchant—that is, the elimination of price maintenance—because, it is said, loss leaders cannot arise under present day conditions.

Mr. Speaker, I do not question the right of members of this house to form opinions and conclusions. Indeed, it is our responsibility to do so. I say, however, that we should place ourselves in possession of the facts before being asked to form those conclusions; and we are not in possession of the facts. But while I certainly believe that it is our right and our duty to form conclusions, I also believe that the person who is in the best position to form a correct and accurate conclusion as to what will be the effect upon him of legislation eliminating price maintenance is the retail merchant himself who has experienced the lack of resale price maintenance in the past and who is going to experience it in the future if this legislation is passed. I make no bones about it that I would rather accept the opinions and the conclusions of these gentlemen, based upon their practical experience, than the conclusions and theories, based upon considerations of policy only, of those who have absolutely rejected any question of fact in arriving at their conclusion.

We have had evidence from many independent retailers to the effect that they will be disastrously affected by the practice of loss leadering at the hands of the big stores, if price maintenance is eliminated. In the proceedings of the committee there are certain passages that I think I should read in this connection, but before doing so, as perhaps the most authoritative statement of the dangers and the evils of the practice of loss leadering, I should like to quote a statement from the report of the royal commission on price spreads of 1935, at pages 228 and 229. In the chapter dealing with distribution we find these passages; and I am going to take the liberty of placing them on the record at some length because, as I say, they are the most authoritative statements of the effects and the evils of this practice in Canada. They start by saying:

> One of the most common practices of modern merchandising is the use of "leaders" or "loss leaders".

Then they go on to say:

> Special mention must be made of the disastrous effect of loss leaders on the primary producer. The use, for example, of butter as a loss leader was proved to be a very widespread practice. Since a reduction in the price of butter will not perceptibly increase its consumption, this practice very definitely causes a loss to the dairy producer that far outweighs any possible gains to the consumer. This is equally true of other standard agricultural products. Their use as loss leaders establishes, as customary, a price that reacts to the detriment of the primary producer.

May I pause here to interject that it is a fact that marketing legislation, such as we know it, to an increasing degree has been designed to protect the agricultural producer, and those dependent upon the agricultural economy, against this vicious practice of loss leadering, amongst other things, and to protect him in general from unfair competitive practices. Then they go on to say:

> Likewise, a manufacturer, who has built up a wide demand for his products, is injured when these are regularly sold at cut prices. Because the profit margin is thereby lost on such goods, competitors of the price-cutter lose interest in the goods and push more profitable lines.

Then they go on to point out the dangers to the consumer that result from this practice, and they emphasize the point that although the consumer may get some small immediate benefit—although that itself is questionable, owing to factors which they emphasize—in the long run the consumer suffers. They emphasize that point as follows, and I am now reading at page 229:

> The consumer who purchases goods at cut prices undoubtedly gains on those items. But leaders—

That is, loss leaders.

> —are offered primarily to draw the public and create the impression of similar value as applied to goods on which prices have not been cut. While the difficulties of judging quality and price are growing with the increasing use of branded and trade-marked articles, the average purchaser can pick out the "loss leaders" from the other goods offered; otherwise there would not be the same widespread use of this device.

Then they go on:

> The competitors of the store using the "loss leader" are, however, the persons chiefly affected.

Those are the persons that I am dealing with at the moment: the competitors of the big stores who use loss leaders. I continue:

> That the deliberate use of cut prices to draw patronage away from competitors is an unfair trade practice, is quite clear. Such reductions are not prompted by any desire to serve the public by giving lower prices. One purpose is to attract customers to whom the store hopes to sell goods that are not loss leaders, at substantial profits. Another purpose is to create the illusion of lower prices on all articles. That this end is not always attained does not in any way lessen the unfairness of the practice.

They then go on to say:

> As independent merchants, singly, cannot meet the leaders of chain stores, many have joined the voluntary associations already described. By acting

together, such groups of merchants can and do follow practically the same policy of using "loss leaders" as is pursued by the corporate chains. Those independent merchants who are not members of such associations are, therefore, subjected not only to the unfair competition of chain stores but also to that of voluntary chains.

Surely nothing could make more clear the danger that, by eliminating resale price maintenance—the only protection the retailer now has against the practice of loss leadering—the effect will be not to increase competition but, on the contrary, more and more to drive merchants into organizations, associations or chains, either voluntary or compulsory, whose only effect and whose only purpose would be in fact to decrease competition. That emerges most clearly from this considered statement of principle of the royal commission on price spreads. They conclude as follows:

We condemn the practice of loss leaders as unfair, promoting wasteful competition and seriously affecting the income of certain classes of primary producers.

Then they go on to mention the difficulties of designing effective legislation against loss leaders. I shall have something to say later about the question of the difficulty of legislating against it.

Then, so far as the evidence before our committee is concerned, let me refer particularly to the evidence given by Mr. Bengough at page 372, where it says:

Q. What is your view, would you agree that it would only be fair, if we are going to introduce legislation to outlaw in blanket fashion all price maintenance agreements, that we should at the same time introduce legislation to prevent the loss-leader practice?

Mr. Bengough: I think it would be vital it should be done.

And then there was further evidence from the retail merchants. I refer to the evidence of Mr. Preston, who was secretary-manager of the Canadian Pharmaceutical Association. At page 132 of the proceedings of the committee we find this passage—and it should be noted that for many years Mr. Preston was a practical retailer before assuming the position he now holds. He referred to the length of time that the loss-leader device has been in effect, in this fashion:

The loss-leader device is not a new device; it has been in practice particularly in the province of Ontario since the turn of the century, and the only effective means that has been found so far to curb it is price maintenance as we know it today.

We maintain that without price maintenance the loss leader would be on our doorstep tomorrow and chaotic conditions similar to those in the 1920's would result.

Mark that—not the 30's, but the 20's, when there was chaotic condition in the retail trade. He goes on to say:

We do not like monopolies; they are bad for the country, whereas the independent merchant is the backbone of every village, town and hamlet. Surely the government will do nothing to hurt him.

Unfortunately Mr. Preston's confidence in the present government is not justified.

Then he proceeds to give some specific examples of how it operates. At page 147 we find this statement by Mr. Preston:

A. No. That is right. The loss leader in the drug business has been a thing sold at crazy prices. For example, I have sold Baby's Own Soap which sold normally for 10 cents, and when we opened our stores we sold it at 1 cent—we started off at 5 cents and the independent druggist thought he could beat us and he cut the price to 4 cents; then we brought it down to 3 cents and he sold it at 2 cents, and, finally, we sold it at 1 cent, and we did that—I say "we", I mean the chain store—"we" put that independent druggist right out of business, and he was a good solid citizen, a member of the city council in the city of Toronto. That is loss-leader.

And continuing with the evidence of Mr. Preston at pages 151 and 152:

A. Well, we assume that the minute the government were to legislate against price maintenance every article that is now price-maintained would become overnight a loss leader.

And again:

A. Yes, sir, and that is why it was very difficult to operate a retail drug store in the urban centres prior to price maintenance. It was almost impossible to make a fair living.

Sir, I submit that those answers from a practical man, a man as well qualified to draw conclusions as most other people would be, if not more so, demonstrate clearly, quite contrary to the theories which have been advanced to the effect that loss leadering could not occur at the present time, that there is imminent danger of loss leadering if this legislation passes. There is no other protection available to the retail merchants against the practice of loss leadering. That has been most clearly established by the evidence.

Here I would observe that our committee, in its majority report, which was dissented from by all the members of the official opposition, says that there is an effective answer to the practice of loss leadering, in section 498A of the Criminal Code. That statement was supported in his speech last night by the Minister of Justice.

Let me point out that the opinion of these theorists—for the minister advanced nothing but theory—is contradicted by the opinion—not just the opinion, but by the factual statement—of the government's star witness, Mr. Fred McGregor.

Mr. Sinclair: Your witness.

Mr. Fulton: No.

Mr. Sinclair: The Tories asked for him and the Tories got him.

Mr. Fulton: Oh, the hon. member for Coast-Capilano takes great pleasure in recalling the fact that the evidence given by Mr. McGregor, in general, supported the case of the government. But the hon. member has not yet justified his refusal to allow us to call any other witnesses, after Mr. McGregor had finished his evidence, and after Mr. McGregor had been allowed to depart from the rigid procedure that was laid down in the case of every other witness who came before the committee.

Mr. Sinclair: He was your witness. I was very generous.

Mr. Fleming: You do not know the meaning of generosity.

Mr. Fulton: The attitude now being taken by the parliamentary assistant, who was chairman of the committee, is ample demonstration of the fact to which I directed attention yesterday, that his policy in committee was directed mainly toward effectively throttling all attempts to get an impartial and informed opinion. He is doing his best now to carry that same effort forward in the House of Commons. I suggest he will have his opportunity to make his case a little later on.

Mr. Sinclair: And I will not take the two hours you are taking.

Mr. Fulton: I know the points I am making are hard for him to take.

An hon. Member: What points?

Mr. Fulton: He did his best to prevent their coming out in committee; but I can assure him that he will not succeed in preventing their coming out in the House of Commons.

I have just pointed out that the government majority on the committee, along with the Minister of Justice, have stated that there is adequate protection against the practice of loss leadering, in section 498A of the Criminal Code. However, the star witness for their case, the man who has had more experience than any other man in Canada in dealing with combines, the man who was combines commissioner for twenty-five years, before his resignation was forced upon him by the government, has stated clearly that section 498A is no answer at all to the danger of loss leadering.

Let me read from his evidence as it is set out at page 604. At that point there had been some discussion as to whether or not there was danger of loss leadering if price maintenance was eliminated. We had been asking him whether or not in fact there could be legislation which would be effective against the practice of loss leadering, or whether it was a fact that the price maintenance system was the only effective answer yet devised.

Mr. McGregor referred to the efforts to deal with loss leaders by legislation, in the form of certain provincial statutes. Then, in connection with the British Columbia statute, I took the opportunity of saying:

> It just does not work. It had to be made so full of holes it just does not work.

This is the answer by Mr. McGregor:

> A. That is the difficulty of producing any bill that will work, and that is the point I am stressing here. It is exceedingly difficult to draft legislation that will prevent these practices we have in mind and still not injure the public in a serious way.

The "practice we had in mind" was the practice of loss leadering.

The next question and answer were as follows:

> Q. You said on Wednesday, in answer to a question from me, that it could be done. You are not now going back on that, are you?
>
> A. I said that lawyers should be able to produce something. I still think they may. We were not able to do it in our struggles with the problem.

Mr. McGregor was the combines commissioner when section 498A was placed on the statute books. He did not refer us to a single prosecution under section 498A and at no point did he say, when under questioning about loss leadering, that that section was the answer to that practice. But he did say that they had not been able to design effective legislation against the practice of loss leadering.

Then we have the report of the price spreads commission, which deals with this matter at page 229, and I quote as follows:

> We condemn the practice of loss leaders as unfair, promoting wasteful competition and seriously affecting the income of certain classes of primary producers, but in seeking a solution for the problem through legislative remedies we are confronted with certain difficulties.

They then point out that you have to make so many exceptions to meet legitimate cases of reduced prices that your legislation becomes practically unworkable.

I rely not only on those authorities but on other authorities as well. Perhaps these authorities will be acceptable to the Minister of Justice and the hon. member for Coast-Capilano (Mr. Sinclair), because they are authorities of the Liberal party. When section 498A was discussed in the house in 1935 we had clear and specific statements from prominent Liberal authorities, both lawyers, that the section as then enacted was completely unworkable, was absolutely useless, and that we should not even bother to put it on the statute books. I refer first to the statement by Colonel Ralston. I do not think

the hon. member for Coast-Capilano will condemn Colonel Ralston or dismiss him as a man whose opinions are not to be regarded. Here is what he said, as reported at page 3479 of *Hansard* of June 10, 1935.

Mr. Knowles: That was before the election?

Mr. Fulton: That was before the election. I quote:

> I say on the construction of the act itself it is nothing less than a snare and a delusion so far as the mercantile people of this country are concerned, and nothing less than a sham and mockery so far as the relief of the consumer is concerned.

After dealing with the fact that this was supposed to be protection against the practice of loss leaders, he says:

> I submit to you, Mr. Chairman, that a section of this kind is just silly; it is just meddling, that is all; interfering and irritating without doing the slightest good.

That was section 498A, the section upon which the minister relies.

Mr. Garson: Does the hon. member agree with the sentiments which he has just quoted in relation to legislation that was brought in by the Bennett government.

Mr. Fulton: Mr. Speaker, I am quoting—

An hon. Member: Wiggling.

Mr. Fulton: If I may have the floor for a minute I will answer. Everything that was said in our committee by the government members and by the government experts who were before us indicates to me that although Colonel Ralston's language was a little strong nevertheless it is true that the effects of section 498A were not those which the government introducing it had hoped would follow. I would point out further to my hon. friend that the government introducing it itself expressed doubts as to whether section 498A would be effective, but they had the courage to attempt to find an answer. They were not afraid to try something. They introduced this legislation.

But now, when they are on the spot my hon. friends, whose party in 1935 expressed these derogatory opinions about the effectiveness of the legislation, are the ones who are wiggling; they are the ones who are now taking the opposite view and talking big and saying that section 498A is the complete answer to the practice of loss leadering.

I come now to another Liberal authority, a former minister of justice. I would ask the present Minister of Justice if he disagrees with the opinion expressed by one of his predecessors, a member of his own party. Here is what Mr. Ilsley had to say about the efficacy of this section, and I quote from page 3487 of *Hansard* as follows:

> To put the matter very briefly I should say it would be a mistake to pass subsection A of section 498, which is found in section 6 of the bill.

And then at page 3488:

> Very little care has been exercised in the drafting of this section; apparently whoever drafted it had only a superficial view of the problem before him.

And again at page 3489:

> I do not know that I have very much more to say with regard to this section, but I consider it so far short of anything that is useful that I do not think this subsection should be passed.

I confront the Minister of Justice with the same question that he has just asked me—and which I have answered. I have said that I do not think section 498A is as efficacious as those who introduced it had hoped it would be. It has not worked and I do not think it will work. I point out that those who were introducing it at the time had the courage to say that they were not certain about this, that they had given it the best consideration they could, but they were not stating as a fact that it would work.

I ask the Minister of Justice whether he is dissenting from and condemning the opinions expressed by Colonel Ralston, an eminent lawyer, and by the Hon. Mr. Justice Ilsley, who was his predecessor but one in the office which he now holds? If not—and there is no answer—then we must rely upon the opinions of those two Liberal statesmen, one a former minister of justice of this government, and it becomes perfectly apparent that to eliminate the practice of price maintenance, as will be done by this legislation, will leave the retail merchant absolutely exposed and without any protection against the practice of loss leaders. I submit to you and to the house that nothing could more amply demonstrate the folly and unfairness of enacting this legislation without giving this problem adequate consideration.

And so I come back to what I referred to last night. The majority report of the committee says that if the elimination of price maintenance does affect the trade of the retail merchants the government will keep careful watch on it and then work out some other legislation. Against that I point out that Mr. McGregor says that we have never been able to design effective legislation in all our struggles with the problem.

It certainly seems an irresponsible, rash and unfair attitude on the part of the government that is administering the affairs of this country to say, "We are not certain what the results of this will be; but if the result of eliminating price maintenance is to expose

the retailer to the effects of loss leaders, then we will enact some legislation to try to fix up the matter." I ask the Minister of Justice whether the government will undertake to restore the bankroll of the merchant who has gone bankrupt? Will he include that in his legislation? Will he restore the position of the merchant who has suffered in the meantime while the Minister of Justice is making this diagnosis to find out whether his own cure has killed the patient? If the government will say that they will take the responsibility of seeing that no merchant goes bankrupt as a result of having eliminated this protection, then perhaps one could support the position. But until the minister says that, until the minister is prepared to guarantee his medicine, in fact, to take his own medicine, I say the legislation should not be supported.

Mr. Fleming: Try it out on him first.

Mr. Fulton: And so we are left with the conclusion that there is no evidence to show that the legislation will benefit the consumer; but there is evidence that it will harm the retailer. I should like to refer now to the type of harm which will follow from the enactment of this bill. Because it is significant that certain of the large departmental stores are supporting this legislation, I think we should refer to some of the findings of the royal commission on price spreads with respect to the predominant position which these stores enjoy in the economy of Canada. On page 207 of the report of the royal commission, in the chapter on "Distribution" and under the heading, "Possibilities of Future Expansion", we find the following:

> The concentration of business in the hands of a few companies is far greater in Canada than in any other country for which information is available. In the United States in 1929 there were seventeen companies operating 2,400 department stores with sales of $1,500 million. The sales of these seventeen organizations, however, represented only 34 per cent of the total department store business in the United States whereas the three largest companies in Canada handle 80 per cent. The largest single department store and mail-order organization in the United States, Sears Roebuck and Company, had less than one per cent of the total resale business in that country, while in Canada the T. Eaton Company had more than 7 per cent.

More than 7 per cent of all retail business in Canada is done by one company alone, the T. Eaton Company. They go on to say:

> It is interesting to note that the largest retail organization in Canada is in the department store and mail order field, while in the United States the largest organization is in the grocery and meat chain field. But even this company, the Great Atlantic and Pacific Tea Company, with sales of approximately $1 billion in 1929, did not occupy as dominant a position in the United States as did the T. Eaton Company Limited in Canada.

The fact is, Mr. Speaker, that the elimination of resale price maintenance opens up again all the possibilities of loss leadering and unfair trade practices against which merchants have devised their own protection under the system of price maintenance, and exposes them to the increasing concentration of power in the hands of a few concerns. On this point the commission had this to say, as found at page 232, as to the concentration of power in a few hands:

> The concentration in retail distribution already achieved has had certain undesirable effects. Socially, it has meant that in approximately one-third of the retail business of this country, the personal factor has largely disappeared with the inevitable weakening of the ideals of service to the community, so long and honourably associated with the local independent store. That such a development has occurred in other phases of economic life makes it nonetheless to be regretted in the field of distribution.

Then they express this opinion which I think should be pondered well by the government and this house before we pass this legislation. They say:

> We would add, however, that monopoly or quasi-monopoly in the vitally important field of retail distribution, could not be regarded by any government with equanimity. A sound regard for the national interest could not permit two or three concerns to dictate the method of retail distribution in the country as a whole.

On that point I pause here to mention that the T. Eaton Company has very considerably expanded its business in Canada by the purchase recently of all the David Spencer Limited stores throughout British Columbia. Therefore we can see that Eaton's, which did 7 per cent of all retail business in Canada in 1929, is probably doing a considerably increased percentage today. Thus we have this position: it emerges that the result of this legislation may not be, in fact probably will not be, to preserve or promote competition in the retail field, but may in fact be, and probably will be, to increase the tendency towards monopoly of that field. In that respect I should like to quote the opinion of the National Council of Women who share the same views on this subject as we do ourselves. At page 5 of their brief the national council says that they do not agree with the MacQuarrie committee when that committee says that they do not think it imperative to make an immediate and hasty recommendation regarding loss leadering. Their brief goes on to say:

> Council believes that competition in free enterprise is a healthy state but it ought not to further loss leadering. In other words, what legislation is enacted ought to specifically penalize loss leadering.

May I point out today that our committee did give some thought to this matter. In about an hour and a half's session one

morning we debated the problem of loss leadering. We had before us a recommendation designed by one of the members of the committee; but practically every member of the committee felt that, while his effort to deal with the problem of loss leadering was commendable, he nevertheless did not offer a practical solution of the problem, and indeed many members of the committee, including government members, expressed grave doubts as to whether loss leadering could be dealt with at all by legislation.

I should like to read the further opinion of the Trades and Labour Congress having to do with this subject. It is to be found at page 380 of the committee's proceedings. They had this to say:

> One possibility your committee should keep in mind, and, in the opinion of this congress, make every effort to guard against, in any amendments that may be suggested, is a swing of distributive business away from the smaller outlets and a concentration of such trade in a few very large establishments.

Further down on the same page they say:

> This raises two very important questions for consideration by your committee: (1) Does this indicate that resale price maintenance does not always lead to reduced competition? and (2) would the banning of resale price-fixing make it impossible for the large distributor to offer his own brands at his own fixed prices? If not, and it is difficult to see how such a law could be made to fit this type of situation, then it would appear that the large distributor would gain a tremendous advantage over the manufacturer without any apparent advantage having been gained by the ultimate consumer. Such a development would merely place more economic power in the hands of the larger distributors. It is hard to see where it would increase effective competition or efficiency. It is even more difficult to see where the public interest would be served.

In addition, as an authority on this point I want to refer to the evidence of Mr. George Hougham, who has the advantage, in addition to that of being an expert, that he comes from the province of British Columbia. Mr. Hougham's evidence is found at pages 766 and 767. Mr. Hougham is a man who has had very extensive experience in the retail trade, a man who was intimately associated with the whole of the Stevens and royal commission inquiries into price spreads, and who is recognized as an expert in his field. I want to read the following questions and answers from page 766, when Mr. Hougham was giving evidence:

> Q. In other words, three department stores did 80 per cent of all department store business, but one of them did 7 per cent of all the retail business in the country. Is that right?
>
> A. Yes, I think that is correct, but the report will correct me if I am wrong.
>
> Q. Was that company named?
>
> A. Yes, it was the T. Eaton Company.
>
> Q. Do you know whether that company has since acquired other large retail outlets?
>
> A. Oh, yes, it has.
>
> Q. Where?
>
> A. Notably in Vancouver, where they have taken over David Spencer.
>
> Q. They have taken over the David Spencer Limited business all throughout British Columbia, have they not?
>
> A. Yes.
>
> Q. You are aware, of course, of the fact that the T. Eaton Company has indicated to this committee that they are opposed to the practice of resale price maintenance?
>
> A. Yes.
>
> Q. And I think you have said already that in your view the elimination of that practice would tend to benefit mainly the large department store?
>
> A. I think that would be the inevitable tendency.
>
> Q. Do you see any connection between those two sets of facts, the T. Eaton Company's attitude and your opinion which you have just expressed?
>
> A. I do not care to impute motives or to make general inferences—I do not think this is amusing, Mr. Chairman—

These words were an aside by Mr. Hougham, who was suffering from the strong attitude of the chairman of the committee, from which we all suffered from time to time. Then I go on with the quotation:

> The Chairman: No, it is certainly not. It is so unusual we are gratified to have you make such a straight statement.
>
> The Witness: But I would think that perhaps—I know I should not be talking for the T. Eaton Company—but that is perhaps the reason they adopt that attitude, the traditional attitude that they do not want to have anybody tell them what to do.

What Mr. Hougham is expressing in those well chosen and reasonable words is that one of the reasons at the back of the mind of the T. Eaton Company in their opposition to price maintenance is probably the fact that it will improve their competitive condition vis-à-vis the small retail dealer. I am not saying that the T. Eaton Company, or any other company, in taking that attitude is doing anything illegal. It is perfectly legal, but I am stating it as a fact, which we have to reckon with, when we are considering the effects of this legislation and when we are considering what will be the position of the small independent retailer as a result of the legislation.

Now, Mr. Speaker, I would like to summarize as follows: We have no evidence that the practice of resale price maintenance is harmful at the present time with respect to its effect on prices; we have no evidence that its elimination will reduce the cost of living. My attitude in this regard is exactly the same as that of the Trades and Labour Congress, as expressed at page 379 of the committee proceedings. They say:

> Whatever the committee had in the way of information—

Here he is referring to the MacQuarrie committee. I say this expression of opinion applies to the MacQuarrie committee, the

parliamentary committee, and it also is perfectly descriptive of the situation in which we find ourselves here in this house today. The Trades and Labour Congress in their brief say:

> Whatever the committee had in the way of information before it about the extent of the practice of resale price fixing, it certainly didn't present your committee or any other interested party with any concrete evidence on which to base a case either for or against resale price maintenance.

So we have no evidence in that regard. But we have much evidence that it will hurt the small independent retailer. This evidence is based upon the facts that we were presented with as the past practices in this field. We have evidence that it will bring about increasing concentration of power in a few hands, based upon the report of the royal commission on price spreads. We have evidence that the retailer has no other protection against the practice of loss leadering, except that to be found in the resale price maintenance system; and for those reasons the official opposition recommended that the proper report to be brought into the house by the parliamentary committee was a report along the following lines—and I am here reading the last three paragraphs of the report which was laid before the committee for its adoption, but which was rejected by the government majority on that committee. We suggested the committee report as follows, as shown on page 827 of the committee's proceedings:

> Your committee, having been much impressed by the very real concern felt by retail merchants over the danger to them from unfair competition and loss leadering practices by powerful chain and departmental stores if price maintenance is eliminated, is of the opinion that if any legislation is ever to be enacted against the one type of practice it must be accompanied by complementary legislation against the other.
>
> Your committee has been unable, in the time at its disposal, to study and work out legislation which it can confidently recommend as being constitutional and effective to meet the danger of loss leadering.
>
> Your committee therefore reports that it is not in possession of sufficient evidence on which to base legislation and recommends that further careful consideration be given to this whole subject, and particularly to the question of fair trade laws along the lines of those in force in the United States of America, as a proper and workable solution of the problem.

That recommendation which we placed before the parliamentary committee still represents the position of this party.

In the light of the considerations that I have laid before the house in analysing the proceedings of our committee and the factors which emerge from a study of this situation, we can see the folly and unfairness of enacting this legislation at this time and leaving the small man at the mercy of big business, with no certainty whatsoever of benefit to the consumer.

Just 16 years ago the country was shocked and alarmed at the revelations of the inroads that big powerful chain monopolies had been making into the distributive trade of Canada, at the expense of the small man, and to the detriment of the public generally. As Mr. Hougham said, "When the giants are contending, the little fellow gets trampled underfoot." Price maintenance became generally applied because, as we have seen, it is the only method yet devised by which the little fellow can get protection against the giants. It is all very well for Mr. Fred McGregor, or anyone else, to sneer at the little corner merchant and say he is uneconomic, and callously condemn his distinction—along with the veteran and all others who are just getting established, because they are weak—just for the sake of some economic theory. But responsible legislatures cannot, or should not, behave in that way.

Yet that is exactly what we are being asked to do in this bill—without sufficient evidence, without adequate consideration, without having given them a fair hearing.

It may be that there are valid objections to price maintenance being left exclusively in the hands of private individuals. But I emphasize the point that it is a protective device, to protect the small legitimate trader and operator against the unfair competition of the strong. As such, it is nonsense to condemn it out of hand as running counter to the private enterprise system. For many years now our efforts—the efforts of the combines act itself—have been to devise laws which will protect the individual and the public generally against the unfair practices of strong combines and monopolies. Restrictions on unfair competitive practices have been one feature of this process. Agricultural organizations, labour unions and others have all pressed for—and received—laws which enable them to organize to protect the weaker individual member against unfair competition from the strong, whether that competition comes from within or without. The retail merchant has done the same thing, not by laws, but by working out the price maintenance system.

And so we say it may be that some form of public protection should be substituted for the private system of price maintenance. The fair trade laws of the United States are an example which we think this house should study and consider, and so do the retailers. But do not take a theoretical position about price maintenance, unsupported by any factual evidence, and throw the retailers to

the wolves of unfair competition by eliminating this protection without substituting any other. In the words of Mr. Hougham, at page 768 of the proceedings:

> Then I enter at this stage a most earnest plea to you as a committee and to this government, not to throw the baby out the window with the bath. If you are determined to get rid of this principle then at least give these people some protection against the thing which they fear most, and don't do one without the other.

It is because this bill would do one without the other that we urge the government now, as we did in the committee, to give the house and parliament time to look into the facts of this situation and to devise some effective means of protecting the small retailer. I therefore move seconded by the member for Eglinton (Mr. Fleming):

> That this bill be not now read a second time, but that it be read a second time this day six months hence.

Mr. M. J. Coldwell (Rosetown-Biggar): I do not propose to join what but for the rules of the house would become a marathon, Mr. Speaker. I am not saying that in any disrespectful way of either the Minister of Justice (Mr. Garson) or the hon. member who has just taken his seat. Fortunately the rules of the house prevent all other members of this house from engaging in what might otherwise become a marathon. This problem is a difficult problem. It is a problem which has been investigated recently by a committee of this parliament, and it has been investigated over and over again in the United States. It has been the subject of a recent white paper in Great Britain, and is a problem which faces all the legislatures of our various democratic countries. We are no exception in having to face it now.

Resale price maintenance is, of course, a method by which prices are maintained irrespective of the conditions under which the articles are sold. A short time ago I was reading a work on distribution and resale by Professor Henry Smith, the vice-principal of Ruskin college, Oxford. His views have been summarized in a pamphlet published by the Fabian society in Great Britain. I think at the outset of my remarks I shall put a cogent paragraph from that pamphlet on the record. It reads:

> If all the shops in the trade, irrespective of their cost of doing business, charge the same protected price, then the price cutter may build up a fictitious reputation for cheapness on the strength of cutting the price of protected goods while he overcharges on others. But it is the system of price maintenance which creates the problem: abolish it and the piratical price cutter (if he is a pirate) will be disarmed.
>
> The evils of the system are twofold. When prices and margins are fixed by manufacturers in association with retailers the two may well be sharing an abnormally high level of profit. Even when this does not take place, the price which the village or suburban shopkeeper must obtain to cover his expenses is higher than the urban trader needs. Thus either the more favourably placed retailer makes more profit than is necessary, or too many shops come into operation in the centres of population, thus lowering the turnover, putting up the costs, and reducing the profit of others. Profits are reduced, but the consumer is not assisted and manpower is wasted.

I think in a few words Professor Smith places the problem in its proper perspective.

The legislation now before the house is the result of a report of a special committee established by this House of Commons in co-operation with the other place. The immediate cause of the establishment of that committee, as has been said both by the Minister of Justice (Mr. Garson) and by the hon. member for Kamloops (Mr. Fulton) was of course the notification to this house by the government in the speech from the throne that an interim report of the MacQuarrie committee had been received. After studying the combines legislation that committee recommended that suppliers should be prohibited from requiring or inducing distributors to resell goods at fixed or minimum resale prices. In its report the MacQuarrie committee remarked that resale price maintenance had been noted on many occasions during investigations by the combines investigation commission, but usually those notations were made in conjunction with and incidental to investigations of other practices.

There was one investigation in 1927 in which this practice was the sole topic under discussion, and I believe that was an inquiry into the proprietary articles and trade association regulations. Hon. members will recollect that as a result of that inquiry the association was disbanded when the commissioner reported that the public interest was detrimentally affected by that association. May I say that this was also the conclusion reached in other investigations which dealt with certain aspects of the problem; tobacco in 1938; dental supplies in 1947; optical goods in 1948, and bread in western Canada. Consequently, the legislation comes before us as a result of a number of investigations and reports made under the Combines Investigation Act. In other words, it is not before us as a means of preventing increases in the already high cost of living. I do not think it will have a great effect on that. It may have a slight effect, but in any event it is rather an attempt by government and by parliament to deal with something which, from time to time, has been stated to be detrimental to the public interest. It is for that reason the legislation is before us.

Evidence concerning this practice was noted by the royal commission on prices in 1949. Hon. members will recall that commission was a continuance of an investigation started under a special committee of this parliament. This is what that commission stated at page 28 of volume 1 of its report:

> Resale price maintenance, like other forms of restrictive practices, does offer what appears to the manufacturer and distributor to be a happy relief from the unending struggle against the harsh correctives of the free market system.

In other words, if we are living under a free enterprise system there are supposed to be certain correctives inherent in that system—I do not always agree that they are there but they are said to be there, and this is an attempt to get around the correctives that are said to be inherent in the system of free enterprise, which my hon. friends all over the house allege from time to time that they support.

Mr. Brooks: Did you ever look for them?

Mr. Coldwell: We are living in North America, in an area where free competition and free enterprise are said to be the fundamental principles of our economic life—

Mr. Low: They should be, anyway.

Mr. Coldwell: —to the extent that when price controls by parliament and under the authority of this parliament or of the legislatures of the country were in effect, the same manufacturers and many but not all of the distributors protested and protested; and so successfully did they do so that finally the government—shall I put it this way, though perhaps some may think I should not do so—bowed to the insistent demands from my hon. friends of the Progressive Conservative party as well as of the manufacturers and some distributors that all control should be abolished. In other words, the enforcement of price control by public bodies was distasteful to those who today are making a protest against this bill which is designed to make illegal the practice of resale price maintenance or a form of price control by private manufacturers and distributors. I think we should keep this fact clearly in mind when we are discussing this problem.

But indeed it goes further than that. In the evidence before this committee and in the evidence before the commissioner under the Combines Investigation Act on many occasions, it has been shown that manufacturers have taken effective steps to enforce what is in effect a "code of law", a code of private law. It has established a private system of law which allows no appeal to any court of justice. I submit—and I think all hon. members will agree with me—that if we are to have in this country any code of law of any description, whether that code of law governs prices or otherwise, it should be enacted by legislation of this parliament or of the legislatures of the country, and should be enforced by some public authority.

Mr. Macdonnell (Greenwood): Will the hon. gentleman permit a question on the matter of private law?

Mr. Coldwell: Yes.

Mr. Macdonnell (Greenwood): Is it not true that what it really is is something in the nature of a contract and that in fact it has been questioned and litigated in the courts frequently?

Mr. Coldwell: In my opinion, it is a code.

Mr. Browne (St. John's West): A code?

Mr. Coldwell: A code; it is a code of law. It is true that persons agree to abide by that code of law laid down by the manufacturers; but because they agree to observe that code does not make it any less a code of law, in effect; and there is no appeal to the courts.

Let me point out that quite recently, in relation to other private interests in this country, a regulatory body, the C.B.C., set up by and operated under a statute enacted by this parliament, was limited by the legislation that was passed as to what it might do since in that legislation we provided that the person regulated might appeal to the exchequer court for a decision.

Mr. Fleming: Only on questions of law.

Mr. Coldwell: Only on questions of law, yes. I say that what the manufacturers are enforcing is a private code of law. My hon. friend, if he likes, can discuss that point a little later.

Surely it follows, in any event, that this parliament cannot allow private manufacturers to establish a code of law from which there is no appeal either by the retailer or, what is more important, by the consumer. This, Mr. Speaker, seems to me to be the issue the Minister of Justice (Mr. Garson) put before us yesterday when he was referring to the principle upon which the MacQuarrie committee based its conclusion that resale price maintenance should be forbidden. As reported at page 2092 of *Hansard* he said this:

> That the practice of resale price maintenance establishes a private system of law under which the business of a non-conforming retailer or of a retailer who is merely believed to be non-conforming may be seriously prejudiced without that retailer having any recourse to the courts of justice.

I want to press that point just one step further and say that in reality that is the real issue in connection with this legislation now before us.

Combines Investigation Act

The recent hearings before the parliamentary committee had more than passing significance to the people of Canada. That is obvious from the manner in which the proceedings have been quoted. No one appearing on behalf of those opposed to this bill supported free enterprise which, under other circumstances, they so loudly acclaim. On the contrary, manufacturers demanded not only the right but the support of this parliament—because if we now did not do anything in regard to legislation, it would go all across the country that we were more or less in favour of resale price maintenance—for their own private controls over segments of the Canadian economy.

I want to say at once that I can understand the attitude of many of the retailers and the organizations representing them which appeared before the committee. They remember the disastrous experiences in the 1930's when business was stagnant and when price cutting was quite prevalent. They had—perhaps I should say "they have"—good reason to fear a similar situation; but it is certain that if a similar situation occurred, price maintenance by private interests could not be enforced. It could not be enforced in the 1930's. It could not be enforced under similar circumstances should they arrive again in 1954 or 1960. It seems to me that they advance an argument which is quite unsound. Indeed, rival manufacturers would do exactly as they did in the 1930's, namely, compete with each other for the small amount of business retail merchants were likely to give them.

Thus, in reality, price maintenance as a protection in such circumstances seems to me to be quite useless. It may be true that price maintenance does not affect a large range of retail goods, with the exception perhaps of druggists' supplies.

In this connection, may I say that at page 137 of the proceedings of the committee, Mr. J. W. Preston, secretary-manager of the Canadian Pharmaceutical Association, was examined by Mr. Phelan. Mr. Phelan quoted an item from the association publication, in its issue of November 1, which said this:

> From the time the speech from the throne was published and the newspaper stories started to appear, every druggist in Canada could see the disastrous results of any legislation for him: over 60 per cent of his volume is done on price-maintained products.

With that statement in this journal Mr. Preston substantially agreed. In his brief Mr. Preston gave some idea of how widespread the practice was. It was so widespread, indeed, that I think one might say that, as far as this particular type of business is concerned, the retail merchant is no longer an independent retail merchant but that he is merely an agent for certain manufacturers.

Mr. Drew: One o'clock.

Mr. Coldwell: Mr. Preston said this:

> It is our contention that the principle of resale price maintenance is so woven into the fabric of our economy that any move to declare the practice illegal should not be made hastily, nor without scientific investigation.

We have had a number of investigations. And what did Mr. Preston say—that the retailer was the principal consideration in this respect? No, as a matter of fact he said that the protection of the manufacturer was the basic purpose of price maintenance—not the retailer, but the manufacturer. Examples were given at page 139 of the official evidence that increased profit margins on certain proprietary medicines had been announced and had been put into effect. From the evidence on these pages it would appear that druggists, as I have already said, have become very largely the agents of manufacturers.

Now I want to say immediately that I can understand the position taken by many of the local druggists who have approached their members of parliament and asked them to oppose this legislation. I have no doubt all members of parliament have been approached by some of the retail druggists in the country. These druggists quite often operate in small local communities where they meet a real community need and perform a useful and desirable service. They are afraid that if resale price maintenance is made unlawful, they will not be able to compete with large organizations in the large centres who sell through catalogues or chain organizations, and who buy in large quantities. There is no question that this has prompted many of the representations made to members of parliament.

As I said when reference of this matter to the committee was under discussion in the house, the bill should contain some provisions to prevent unfair competition. The MacQuarrie report itself draws attention to the unfair practice of advertising what are sometimes known as loss leaders. My hon. friend from Kamloops (Mr. Fulton) referred to this at some length this morning. The MacQuarrie report states, in this connection:

> Resale price maintenance, by prohibiting any normal price reduction, affords an effective protection against loss leaders in the field of price-maintained goods. However, the committee does not think that to withdraw from the retailer the right to make any price reduction is a satisfactory way of preventing unfair and excessive price-cutting. We are of the opinion that more direct and desirable weapons can be found to curb loss leaders.

I shall not be able to finish what I have to say before the luncheon recess.

Mr. Adamson: I did not wish to interrupt the hon. member, but I would point out to him that resale price maintenance is appealable in the courts. There is a case in Montreal concerning a druggist who has lodged an appeal against the action of the Frosst Company. I believe that case is before the courts.

Mr. Coldwell: Yes, but it is not provided for by price maintenance.

Mr. Adamson: But that action may be taken.

Mr. Coldwell: The consumer has no recourse to the courts.

Mr. Sinclair: That is important.

Mr. Coldwell: The consumer has no recourse to the law; that is the point.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Coldwell: Mr. Speaker, when the house rose for lunch I was saying that we regretted that the bill did not include some provision to give some protection to the retailer in regard to matters I was talking about, namely, price cutting, loss leadership and so on. According to the transcript of evidence of proceedings before the committee the hon. member for Spadina (Mr. Croll) moved the following motion:

1. That no dealer shall sell or offer for sale directly or indirectly any commodity at a price less than 5 per cent above cost.

Then the motion provided exceptions in the case of sales of damaged goods, goods sold for charitable purposes or by relief agencies, perishable merchandise, goods sold in clearance sales or as bankrupt stock; and the cost was defined as the invoice cost to a bona fide dealer or the replacement cost; and so on. I am not at all sure that the 5 per cent is the percentage that should be included, but the idea behind that motion was one that I think deserved more consideration than it received and some such provision might well be included in this legislation.

As the hon. member for Kamloops (Mr. Fulton) said this morning, there is legislation concerning this practice in some 45 of the 48 states of the United States. Evidence in this regard may be found at page 688 where Mr. Phelan was examining Mr. Leach, as hon. members who were on the committee will remember. I quote from that page:

Q. Mr. Leach, you spoke about the fair trade law in the United States; would you be good enough, if you can, to outline to us what it is, how it works in the United States, and so on?

A. To the best of my knowledge, as I think I did explain earlier—I will try to be as brief as I can—the manufacturer submits his catalogue of prices to the state fair trade board, whatever it is called; that board approves of those prices if they feel they are right and then it issues a certificate and puts its O.K. on it and says that is your price. You will go to the retailer and he signs a contract that he will sell at that price.

After a little further explanation there is another question and answer as follows:

Q. Now, in the United States, does that eliminate the question of the loss leader? I take it it does.

A. In cases where the retailer actually signs.

Q. But here in Canada do you think this would be an effective answer to the threat of the loss leader?

A. Most effective.

Much depends on the intent and spirit of the legislation under which such a provision operates and the board under which it would operate. In some states the legislation and the personnel of the board are such that it has not as much effect as we would desire it to have under our legislation. I have been reading some articles dealing with this provision in the United States and they point out that in many states, particularly California, it has had an effect the opposite of that which was originally intended. As a rule the legislation provides purely for voluntary agreements; there are no compulsory features and no penalties. Our legislation should be a part of and in the spirit of the Combines Investigation Act. Otherwise the cure might indeed be worse than the disease. I think we should be most careful about what we do in that direction.

Another practice which should be scrutinized and as far as possible banned is the giving of different rates of discount to large and small retailers. Mr. McGregor in his evidence gave examples of how this operates obviously against the small merchant and the consumer. He pointed out that under resale price maintenance this might very well tend to keep prices up because inducements offered to buy in larger quantities were not to benefit the consumers but to maintain larger margins and bigger profits. That was the evidence placed before the committee.

I would point out that in connection with the marketing of wheat under the government board and our legislation it does not matter whether one buys a bushel or one million bushels, the price per unit is exactly the same. In my own province of Saskatchewan the same thing applies to the fur marketing board. A man who has a few pelts sends them down to the marketing agency and he gets exactly the same price per pelt for the same grade as the producer who sends in one thousand pelts. In other

words, the unit cost to the retailer should be the same, instead of having these differentials which are brought about by means of discounts.

It was brought out in the evidence that the manufacturer did everything in his power to persuade merchants to maintain the agreed resale prices. This morning an hon. member raised the question of a lawsuit in Montreal. I have only a very hazy idea of that lawsuit, but my understanding is that an effort was made to obtain an injunction to prevent a large wholesale drug firm from refusing to supply a retail merchant. It had nothing to do with the community; it was purely a matter between a retailer and manufacturer. What was actually happening was that a druggist wished to again get supplies on the basis of maintaining the resale price. Consequently it has no bearing on the discussion that we are having at the present time nor does it take away in any respect from my argument that what is really happening in Canada is that the manufacturers are taking to themselves the power to impose their own code of law and their own penalties in connection with the enforcement of that code. On the contrary it reinforces it.

In its report the parliamentary committee stated that it did not think that under present conditions there was any likelihood of any powerful retailing interests engaging in a policy of selling goods at unreasonably low prices for the purpose of destroying the independent retailer.

As a matter of fact, as the Minister of Justice (Mr. Garson) pointed out yesterday, we have in section 498A of our Criminal Code a provision which, if vigorously enforced and if the evidence could be obtained, would prevent that kind of discrimination. This section has been placed on the record already by the minister and by the hon. member for Kamloops. Therefore since my time is limited I shall omit placing it on the record again. But this provision in the Criminal Code, 498A, does not meet the point made by the MacQuarrie committee with regard to loss leaders, nor does it obviate the necessity for a provision similar to that moved by the hon. member for Spadina or, as I have said, the kind of provision that in the light of our circumstances will provide the same public control as some legislatures attempted to institute in the interests of the consumers and failed to do in many of the states of the United States.

My criticism of the report of the committee therefore is that it did not recommend legislation of this description. I believe if the bill is passed the combines commissioner should be asked to draft a suitable clause for presentation to the house early in the next session of parliament. I believe that during the recess further consideration should be given to this matter. It is true, as the committee states, that there is not much present danger of loss leaders menacing the small merchant when the economy is as buoyant as it is at the present time and we are in a period of inflated price levels.

The hon. member for Kamloops (Mr. Fulton) made much this morning of the representations made by Mr. Bengough on behalf of the Trades and Labour Congress of Canada, but what he actually did of course was to quote from their brief various paragraphs in which Mr. Bengough argued pro and con. But the meat of the brief, as usual of course, can be found in the recommendations contained therein which make a very material difference to my hon. friend's argument. Let me put on the record what the recommendations were. They are found at page 382. Perhaps I should read the preceding paragraphs, although it will be a little long. They read as follows:

> What we should all be concerned about at this time is how to protect the individual whether he be consumer or merchant, distributor or manufacturer, worker or employer in a free economy. At the same time we must remember that a free economy does not exist because of some law; it exists because of the private arrangements, agreements, alliances, organizations and the whole welter of checks and balances which serve to offset any possibility of one group dominating it completely.
>
> There are those who fear the domination of the economy by the state. Whatever grounds they may have for such alarm, it must be noted that the state already has a hand in the economy. Your committee is asked to consider what further hand the state shall take in the economy. What appears most important is not whether the state shall play a part in the economy or whether the economy will remain free if it does, but what part the state shall play; and whether the state shall play a negative and confusing role or a positive one.
>
> While we would not recommend the repeal of the Combines Investigation Act, we believe that the negative approach of this type of legislation and administrative practice is unlikely to ever have very substantial influences upon consumer prices or to provide very effective means for reducing the private alliances that restrict the free flow of goods and services in a free economy.

What he is saying there is that there are restrictive alliances that do prevent the operation of a free economy and that something else than preventive legislation should be undertaken. He goes on to say:

> We believe, on the other hand, that your committee should recommend positive measures for dealing with restrictive practices in our economy and in so doing provide parliament with suggestions for immediate action against inflation and rising consumer prices. Rather than say that a manufacturer may not make an arrangement to protect the price of his goods and thereby, presumably, his business, it would seem much more practical to suggest that the relationships between suppliers

and distributors should be subject to broad social regulation thereby providing for the protection of both along with the consumer.

We suggest that your committee recommend the creation of a consumers price control board which will have power to deal with all aspects of this problem of resale price maintenance as well as with consumer prices generally. We make this recommendation to you because we believe that it would provide for a positive approach to the problem of restrictive practices in the economy and at the same time for a sensible and immediate attack on rising consumer prices in all lines.

Parliament has already granted the power to the government to deal with prices. Your committee, in our opinion should recommend that action be reserved along the negative lines of amending the Combines Investigation Act and rather that immediate positive action be taken through a consumers price control board to free the whole economy from restrictive price practices whether these arise as the result of agreements or arrangements or simply from the customs of the trade.

If you read that you see what Mr. Bengough was really asking for. He was really asking for some control of the economy and that that control should be exercised through powers given to a board representing the consumers of this country. That puts a very different light on the brief than the isolated quotations which my hon. friend put on the record this morning. We think this is a suggestion which is more worthy of consideration than any other, and much more indeed than the committee seemed to give it. Mention of the trades and labour congress reminds me that an argument sometimes used to support resale price maintenance is that farmers and labour maintain the prices of agricultural products and of wage levels. These of course are analogies which do not bear examination. Prices of farm goods are set not by any private arrangement but by public authority—

Mr. Fulton: They are in the case of B. C. apples.

Mr. Coldwell: —namely, this parliament, or under legislation passed by a legislature or through marketing boards established by our legislatures as in B. C. Marketing boards are established by legislation with powers granted to them by the legislatures. Prices and marketing conditions, when arrived at, are the result of public negotiation, and in connection with wheat are governed largely by international agreement among governmental bodies.

Mr. Fulton: Not with apples.

Mr. Coldwell: The same applies to labour. Boards of conciliation are established and the final decision may be made, as it was in the case of the railway workers just over a year ago, by this parliament, or, with respect to some other labour matters coming under provincial jurisdiction, by provincial authorities and legislatures. Neither farmers nor workers have the right to set their own rates and prices apart from methods and means laid down and supervised by the elected representatives of the people.

In the case of resale maintenance, however, manufacturers arrogate to themselves the right to establish a private code of law and, indeed, to enforce it. We do not believe that is good, and we shall vote of course against the motion to give the bill the six months hoist. The effect of that would be to kill the bill. It is a method of preventing further discussion and thereby defeating it.

Mr. Fulton: It could be brought up next session.

Mr. Coldwell: When that amendment is disposed of, as I imagine it will be, I shall take the opportunity to move in a very few words another amendment, namely, that Bill No. 36 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing that where regulation of resale price maintenance is in the public interest such regulation should be under public control instead of under private control. When the opportunity arises I propose to place our position on the record of the house in those words. I said if and when the amendment already moved has been dealt with, that is to say, if it is defeated. If it carries there will be no opportunity to move a further amendment. If our amendment carries we shall be very happy about it; but if it should not—and I hope it will carry—we shall support the bill at this stage because we believe that it is against the interests of the Canadian public, Canadian consumers, the Canadian people generally that any group should be allowed to arrogate to itself authority which should only be exercised by a body under parliamentary or legislative control. That is the principle in the bill. It is the principle of the bill which we support; and, if the Progressive Conservative amendment is defeated, after ours has been moved I hope it will carry. Should it not carry, then we shall support the bill because we think that no good purpose could be served by defeating a bill of this description at this time.

At the same time we urge that the suggestion made for the establishment of a public price control board be given consideration by the government, and that, in any event, whether it is favourably considered or not, the commissioner under the Combines Investigation Act be asked to submit to the government a draft amendment to this bill for consideration and submission to this house at the next session, prohibiting unfair trade practices such as the advertising of loss leaders and selling below cost, thus giving

more adequate protection to the small retailer who of course, and I can understand it, is legitimately concerned at what may be, he thinks, the effect of this bill upon him. I think that is a legitimate concern which the retailer has, and I would just like to say this. I do not want the issue to be confused by anyone rising in his place in the house and saying: Well, of course the C.C.F. support this and have moved what we have moved because we are in favour of nationalization of all the distributive agencies of the country. We are not, and never have been. I should like to put these few words on the record. Again I am quoting from Professor Henry Smith. He says this:

> For the present, and indeed for a long time to come, nationalization of the distributive trades would be undesirable.

We have always said that; but we have also said this—and my hon. friends on the government side and on the opposition side probably will not agree with me in the words again of Professor Smith:

> The consumer can be protected against excessive overcharge by maximum price control, though this cannot be used as a major instrument to bring about efficiency in distribution. Consequently, all the time that purchasing power runs ahead of supplies and wherever monopoly exists, great care should be taken in relaxing price control.

Then he goes on:

> But let us be realists; no one knows quite what can be done in this field; till we know more let us hang on to price controls, which obviously save us from the worst, until authoritative experiment makes clear what should be done.

I should like to put this concluding paragraph on the record because it has a direct bearing, more so than what I have read, on the issue before us:

> Competition in the distributive trades appears to work somewhat wastefully, in that it often takes the form of bidding up cost, or the opening of superfluous shops. Licensing would not remedy the situation; the best way out seems to lie in improving the quality of competition, and increasing its intensity, particularly in the field of price competition. The institution of a public authority to advise the consumer on prices and qualities, the general development of education, and the abolition of resale price maintenance should also operate in this direction. In particular, the action of trade associations in operating "stop lists" in this connection, and the denial of supplies to co-operative societies, should be prohibited.

As I said the other day, I remember when the agricultural implement inquiry was on, the president of the International Harvester Company was asked if he would supply his line of machinery to co-operatives and he gave a reply which could only be interpreted as no, although it was hedged around with a few considerations, on the ground that a co-operative giving a patronage dividend would in effect be selling below the resale price at which the International Harvester Company expected its agents to sell. Then I go on and quote one more sentence:

> Consideration should be given to a possible measure placing producers under obligation to sell at their customary wholesale prices to anyone willing to buy under the normal wholesale purchase conditions regarding bulk and delivery.

Because of the attention we have given to this matter, Mr. Speaker, and the considerations which I have outlined, we shall oppose the amendment of the Progressive Conservatives, which would simply defeat the bill and set it aside. We shall try to get our view before the house and get it accepted by the house. If the house does not accept our amendment, then we shall vote for the bill.

Mr. Solon E. Low (Peace River): Mr. Speaker, at the outset I should like to review briefly some facts concerning the bill that is now before the house, and particularly the background which led up to the bill. In the first place, the government appointed the MacQuarrie committee in June, 1950, to undertake the study of existing combine legislation. In early September, 1951, the Minister of Justice (Mr. Garson) requested from the committee an early report on resale price maintenance. This report, while it was designated as interim, was such only in the sense that the entire report on the combines was not completed. I think the Minister of Justice has quite fully established this fact, and I take it therefore that as far as resale price maintenance is concerned the MacQuarrie committee report was final and complete.

The second fact is this. The MacQuarrie committee in its report dated October 1, 1951, recommended legislation designed to prohibit the practice of resale price maintenance. They also recommended that the legislation to make it an offence for manufacturers to refuse to supply retailers with goods on the ground that these retailers had cut prices be enacted. The third fact is as follows: It has been established quite amply, I suggest, that the government accepted the MacQuarrie committee's recommendation. The Prime Minister (Mr. St. Laurent) announced in the speech from the throne at the opening of this present session that legislation to carry out the recommendation would be introduced during the present session. Later on it was announced by the government that a joint parliamentary committee would be set up to deal with the recommendation of the MacQuarrie committee.

The Minister of Justice gave as his reason for the committee the fact that representations had been received from manufacturers and retailers urging the government to hear their views before proceeding to have parliament enact any legislation. If there is any

criticism on this point—and I think there is—it is that the government did not get the committee under way as soon as they could have done, and as soon as it was necessary. Had the committee been set up earlier in the session, then perhaps it would have been possible to hear a great deal more evidence than was heard in the comparatively short time that it sat. I think that 16 sittings of the committee to hear 42 briefs and to scan and consider a large volume of wires and letters would hardly be enough time to give the kind of consideration that ought to have been given to expect hon. members to reach sound conclusions as to the various arguments that were put forward on all sides. In my judgment neither was there time for the government and the supporters of the bill completely to justify the legislation which the government has decided to adopt.

The fourth fact is this. As a consequence of the committee's deliberations at least four facts have been established so far as my thinking is concerned. I would like to set them out briefly at this point. The first is: The MacQuarrie committee apparently did not accumulate statistical evidence that would establish that under resale price maintenance Canadian consumers were being harmed. As far as I can gather from the evidence—and I must say here that I was not a member of the committee—the approach seemed to be more from the standpoint of principle than from detailed evidence.

Now, the second of these four facts that were established by the committee's deliberations is this. None of the trade associations which appeared before the parliamentary committee could go beyond expressing their opinion on the subject. I stress that word "opinion." It is true that certain statistical information was presented but it was found impossible, on the basis of what was before the committee, to make a proper comparison between the resale prices on price-maintained goods and those of comparable non-price-maintained goods. The argument was frequently advanced during the sittings of the committee that, generally speaking, maintained prices were lower than non-maintained prices. This basis was, in fact, not proven because the committee did not take the time to accumulate information upon which a proper comparison could be made. I think the opposition has some legitimate criticism to make on this score, although the Minister of Justice (Mr. Garson) did present considerable evidence to show that at least in other countries the end price of price-maintained goods was somewhat higher than the end price of non-price-maintained goods. No real effort was made, however, to establish the facts of the situation right here in Canada, and I think that is regrettable.

The member for Kamloops (Mr. Fulton) has complained that the committee actually choked off attempts by the opposition members of the committee to gather information which would establish, one way or the other, what the effect of resale price maintenance really is. The hon. member now interpolates that it was the government that choked off those attempts. If the hon. member's statements are correct, then the government is to be severely criticized for not having taken the time or made the effort to establish the facts.

Fact No. 3, which has emerged as a result of the sittings of the committee, is that spokesmen of certain trade organizations argued that price maintenance was designed for the protection of the retailer; others were perfectly frank in asserting it was designed to protect the manufacturer. What studies I have been able to give this particular problem, together with the evidence submitted by the Minister of Justice in his submission last evening, has led me to the conclusion that the principal purpose of resale price maintenance has been to protect the manufacturer. I cannot escape that conclusion. I confess that I may be wrong, but thus far my studies have led me to that conclusion.

Fact No. 4 is that the percentage of price maintained goods found in any store varies a great deal. In a grocery store, for example, less than one per cent of the goods are price maintained. Sixty per cent or more of the goods in drugs stores are price maintained. Jewelry, silverware and watches which make up the bulk of the goods in any jewelry store are price maintained to approximately 90 per cent. Taking these facts into consideration, and adding to them the evidence of the Minister of Justice which I thought was well documented and well supported, I have concluded that if resale price maintenance were prohibited it would not unduly affect the retailers as a whole. I have concluded too, Mr. Speaker, that it would not affect very greatly the retailers whose percentage of price maintained goods is very low. In fact, I think it is self-evident that it would not.

It must be remembered, of course, that most retailers' establishments do handle a small volume of price maintained goods. On the other hand, if the bulk of the retailer's goods is price maintained, as long as that practice is continued I must conclude that the retailer is at the mercy of the manufacturer, who exercises the power to discontinue his supplies if he should cut prices by even the smallest amount. It is our opinion that no retailer should be submitted to a system of

private law from which there is no appeal to any court in the land. If I recall correctly the British report on resale price maintenance did condemn the practice on that ground.

Those are the four facts which I believe did emerge crystal clear as a result of the deliberations of the committee. I should like to continue with my general comment. It was significant to me that most manufacturers did deny that there had been rigid enforcement of resale price maintenance. The jewelry people, for example, even went so far as to create the impression that there was no enforcement at all. If that is true, then one has to ask, Why do they display such concern over the abolition of the practice? Most manufacturers stressed the value to the public of branded goods. They argued during the sittings of the committee that the only way by which branded names and branded goods could be continued with assurance of quality was through the maintenance of price. Now, sir, I sought diligently for the facts which would establish the validity of that argument in my mind, but I must confess I could not find them. Consequently, I am forced to conclude that the manufacturers' contention in this regard is at least highly questionable.

I must admit that anyone would find it extremely difficult to establish beyond question that resale price maintenance is on the one hand good or, on the other, evil. At least, that is the way it appears to me on the basis of the evidence that is available. I cannot overlook, however, that it is a growing practice. Let me emphasize that, that it is a growing practice. It seemed to me the Minister of Justice established that fact beyond any question last night.

I should like to refer to the evidence of Mr. F. A. McGregor, the former combines commissioner. If I recall correctly, his evidence was heard on November 28, and I shall read a paragraph to emphasize the importance of that point I have just made, that the practice of resale price maintenance is growing. Mr. McGregor says, at page 390 of the committee's proceedings:

> The extension of the practice in recent years has been alarming. If it continues it will not be long before price control by manufacturers will become the rule in the distributive trade and price competition the exception, as far as branded goods are concerned. Indeed in some trades the practice has already become so general that practically none of these goods can be reduced in price without the authorization of the manufacturer. The development of such a system may be very enterprising on the part of the dealers and manufacturers, but it can hardly be described as "free enterprise" in the meaning of that term which used to be commonly accepted. Nor can it be said to have any rightful part in a competitive system, which has been recognized by parliament as a basic element in our whole economy. The undoubted right of the public to the safeguard afforded by price competition is being supplanted to this extent and in these broadening areas, by the questionable right of manufacturers and dealers to prevent price competition in the wholesale and retail selling of their particular products. If the vital element of price competition is removed from a competitive system, what you have left is not a competitive system at all, but a price-controlled system—with prices controlled by manufacturers. In the case of resale price maintenance it is control by the manufacturers with ready acquiescence and indeed urgent advocacy on the part of a very large proportion of the dealers, whose interests it is primarily designed to protect. The minority of dealers who would prefer to maintain their independence and determine their own selling prices have no alternative but to fall in line.

I do not believe we can disregard the evidence of a man of such broad experience as Mr. McGregor has had. It has already been argued that he is a theorist, and therefore should be discounted. Let me say this, Mr. Speaker: On many occasions in this house I have heard this man quoted as if he were the most practical man in the field of combine legislation, and that argument was not confined to the government side of the house.

It appears to us that, the more and more firms adopt the device of resale price maintenance, the evil, if it can be called an evil, is bound to become apparent as time goes on, and especially in the light of the fact that manufacturers are put in such a strong position the retailers will no longer be free to carry on in any capacity other than as agents of manufacturers. My own judgment tells me that is not good. Such a contingency as that would be very harmful, both to the retailers themselves and to consumers generally. In my judgment this important matter cannot be considered properly unless one takes a long-range view, and not just a short-range view. It is very largely on that long-range view of what this thing could become that we in this group take our position.

As a matter of principle, we cannot agree that manufacturers should be allowed to exercise a law of their own. They should never be in a position to put retailers out of business to suit their whims, nor to dictate resale prices, especially when the retailer or consumer who may be deprived of these goods through the action of the manufacturer cannot go to the courts to secure justice. We would have to oppose resale price maintenance on this ground, even if no other reasons existed at all.

Most manufacturers indicated some fear that the removal of resale price maintenance would immediately result in widespread use of the loss-leader practice. Much has been said about that matter already, and for that reason I do not intend to go into it at any length. The manufacturers assumed that

branded goods would be the first affected; and they said that large stores would likely indulge in the practice in order to squeeze out weaker opposition. It is significant, Mr. Speaker—and I should like to mention this—that the large stores opposed resale price maintenance. That is a significant fact. However, I think the Minister of Justice, in his case last evening, fairly well disposed of any fears that the manufacturers have. He showed that predatory price-cutting tactics are not only against the public interest but are also contrary to section 498A of the Criminal Code. It appears to me that the federal government has authority to take action against the practice of loss leader if that practice begins, in any way, to endanger the legitimate competition that exists or should exist between retailers. I should caution the government, of course, at this time that they will have to be on their guard against predatory price cutting by large concerns especially if, in the days ahead, we slide into a buyer's market. We have not been in one for a good many years, but it is possible that we could get into a buyer's market. More settled conditions throughout the world could quickly bring us into such a market.

In my judgment the Criminal Code should be invoked wherever and whenever necessary to protect the small merchants. If I thought that this legislation would endanger the position of the small retailers throughout this country, I would do my best to hold the bill over until a full investigation of all the evidence could be made, or I would do my best to defeat it. I should like to see made crystal clear, one way or the other, exactly what effect it will have upon the small retailers. We are much concerned about keeping retail merchants everywhere in Canada in a strong and happy position. It seems to me that, in a house like this, nobody needs to emphasize, any more than has been done, the important place that the retail merchant holds in our economy; it is an exceedingly important place. Without strong and secure retail merchants in our country we could not carry on under what is called a free economy. That is one of the reasons why we spend so much time in trying to get the government to lay down policies under which Canada can be assured a balanced economy in which there will always be effective purchasing power in the pockets of consumers sufficient to enable them to buy all of the goods and services available for sale, if they want them.

Under the kind of balanced economy we Social Crediters advocate, we think the position of the retailers would constantly be a happy and prosperous one, especially if the practice of predatory price cutting is prosecuted with vigour under the Combines Investigation Act and the Criminal Code, and if conditions are established wherein fair competition can be assured. We in this parliament must be sure that the small merchants and druggists of this country are not adversely affected by this legislation or by anything that we do. If, by the time of the next session of parliament, it appears that there are or will be injustices to the independent merchants as a result of what we are doing—that is, through the application of the terms of this bill—then we must be ready to amend the act to remove the injustices or even to repeal the act.

We are thinking also of the consumer generally, Mr. Speaker. The consumer has, for too long, been the forgotten man; and it is high time that something was done for him. It is our opinion that the passing of this bill will help the consumers of Canada directly and perhaps also indirectly. But when I say that, I want it understood, Mr. Speaker, that we do not look upon the abolition of resale price maintenance as any substitute for a vigorous program of action by the government to bring down the high cost of living. I am of the opinion that the unusual circumstances surrounding the birth of this bill indicate that the government wants the people to think that it is really going out to do battle for a lower general consumer price level. We are not being fooled by that, by any means, if that really is what the government wants the people to believe. We shall continue in our efforts to press the government to take the earliest possible action to relieve the consuming public from the present unnecessarily high living costs.

I think that one of the strongest arguments put forward by the Minister of Justice in his case last night for the bill was that resale price maintenance has made it difficult to detect a manufacturers' combine that may be operating behind the practice. I think he referred to that matter at page 15 of his submission, if I remember correctly. It therefore seems to me that to get this out of the way ought to make possible more efficient, successful and vigorous administration of the Combines Investigation Act. In our judgment, this alone would be of great good to the consumers of Canada.

I should now like to say by way of conclusion, Mr. Speaker—I do not want to prolong the debate, by any means—that we find that we shall have to oppose the amendment. We think that it would be wise to pass the bill now, to give it a trial and to see what

it can do; and then, in the light of the experience which we gain, when we come back here at the next session I think we could take whatever action would be necessary to see that justice is meted out to all sections of our society.

Mr. James Sinclair (Coast-Capilano): Mr. Speaker, in opening my remarks I think I should first felicitate my colleague, the hon. member for Kamloops (Mr. Fulton), for the speech which he concluded this morning. As hon. members will recall, when he opened his remarks last night he chided the Minister of Justice (Mr. Garson) who, in presenting the government's case for the legislation, spoke for two hours and ten minutes. The hon. member himself then promptly proceeded to speak for two hours and twenty minutes.

Some hon. Members: Oh, no.

Mr. Sinclair: If he did not exceed that time, then all I can say, Mr. Speaker, is that it seemed longer to those who had to listen to him.

Mr. Fulton: Surely it is all right for me to try to talk on the bill.

Mr. Sinclair: My felicitations, Mr. Speaker, are not on the contribution that my hon. friend's speech made to this debate but rather to the debate we are going to have tomorrow on procedure, because his speech is the best argument I have ever heard for a further limitation on the time of speeches in the house.

I should like to start off by reminding hon. members that the principal purpose of this legislation now before the house is to further strengthen the Combines Investigation Act. We on this continent are all fairly familiar with the history and the story of combines legislation. With the great growth of industrial power in the United States, combines, trusts and cartels, formed by powerful groups of selfish people in order to exploit the consumer to the utmost, began to be established. President Teddy Roosevelt around the turn of the century established the first anti-combine legislation. The vicious practice of combines spread to this country and we were the second country in the world to establish, in 1925, under a Liberal government, anti-combine legislation. We have a good record with regard to the breaking up and the prosecution of these illegal combines, monopolies and cartels; in fact, we have a record second to no other nation in the world. It is true last spring there was a delay in the publication of the milling report, between the time of the report by the commissioner and the presentation in the house, because of a difference of opinion with the wartime prices and trade board, as to what undertakings they had given the millers under wartime price control.

But in all the records of the twenty-seven investigations of the combines investigators I would recall to the attention of hon. members that there are five reports which had never been published, five investigations made under the regime of the Bennett government. There was the combine in the manufacture of radio tubes in 1931, unpublished; the manufacturing of fruit baskets in Ontario in 1932, unpublished; the distribution of coal in eastern Canada, 1933, unpublished; the manufacture of rubber footwear in Canada, 1934, unpublished, and the sale of gasoline in Ontario, 1934, unpublished.

However, for fear anyone has any doubt about our record as against that of other nations in the world, let me say that our record is second to none in the world. This matter was shown by the debate on international cartels by the United Nations economic council last summer, at which I was present. The United States is first, we are second, and the next nation in the world having legislation anything like this is Sweden, and that country in 1946 passed legislation based on ours, then Britain in 1948, although as yet they have had no investigations under their act.

For fear I am being prejudiced, let us see what one of the great leaders in the Conservative party, the man said to have the finest and clearest mind in the party, Sir David Maxwell Fyfe, had to say. He published a book for the Tory party, on monopoly, in 1948, giving the British Conservative view on it, and especially referring to legislation that the Labour government was bringing forward against monopolies. He reviewed other countries' legislation on combines, and led off with the United States and then Canada. And at page 49 he said:

> Other British dominions have passed laws against trade restraints though none are as complete or effective as the Canadian law.

This is surely a real tribute to Canadian Liberal legislation. However, despite our good law and competent staff, there has been the great difficulty in connection with prosecuting combines because of securing proof. These powerful, selfish and ruthless interests who form combines to rob the consumer do not do their deeds in the public light. As Mr. McGregor said, these deeds are done by stealth, but with effective legislation and staff they can be brought to light; and he has certainly done that. However, from the start, throughout, inquiries into restrictive practices in connection with combines has run this

thread of resale price maintenance, often the thread which held the whole evil web together.

The first inquiry was in 1926-27 into the druggists Proprietary Articles Trade Association, the P.A.T.A. At that time there were 167 drug manufacturers, 28 wholesale druggists and 2,734 retail druggists who got together to fix the price of all drug products. And that was done for the benefit of whom? Certainly it was not done for the benefit of the consumer! And it was Mr. McGregor who smashed that P.A.T.A. in 1927. But in most investigations since that time there has again run the thread of resale price maintenance. And if hon. members wish to read of the details then I would suggest that they read the evidence of Mr. McGregor at page 390, or the brief of the Canadian Congress of Labour at page 73. They will see how resale price maintenance was connected with these various combines. It was present in the drug combine in 1926, and the tobacco combine in 1927, as it is described at page 74. Then there was again in the dental supplies combine in 1947, and optical goods combine in 1948.

Then there was again in the bread-making combine in western Canada, when they even fixed the price of bread in 1948; and there was again in the match combine of 1950—and that was the worst of the lot.

Then, further evidence along this line was given, as has been pointed out by the Minister of Justice, in the report of the royal commission on prices who found the practice of price fixing increasingly affecting prices in Canada.

Then the MacQuarrie committee was established to study and recommend methods of strengthening the Combines Investigation Act. They drew specific attention to resale price maintenance as a restrictive business practice. And in this connection I would refer the house to the letter which they sent out to all manufacturers and trade associations which appears at page 250 of the proceedings of the committee, which drew special attention to the fact that they were going to make an investigation of resale price maintenance. Paragraph 6 of this letter states:

> You may recall that the royal commission on prices in their examination of restrictive business practices gave particular attention to the practice of resale price maintenance and recommended that careful study be given to this problem from the viewpoint of its effect on price competition amongst wholesalers and retailers. In view of this the committee invites comments on this particular problem as well as on the Combines Investigation Act generally. In particular, the committee would appreciate receiving extended comments on the tentative conclusion of the royal commission on prices as to the effects of the practice upon the public interest. The matter is dealt with in Vol. I, pages 27, 28 and 41, and Vol. II, pages 256 to 259 of the report of the royal commission on prices as published by the king's printer in 1949.

So those manufacturers who have said that they had no warning that the MacQuarrie committee were to deal with price fixing by manufacturers were certainly not speaking the truth.

The MacQuarrie committee made their interim report to the government on resale price maintenance. The government received it and accepted it and announced in the speech from the throne that it would have legislation to implement the recommendations of that committee.

There were many objections from manufacturers and retailers, who asked for further inquiry in a public forum. Then the government, as a consequence of these representations, set up the parliamentary committee to give these people an opportunity to state publicly their objections to this legislation which would do away with resale price maintenance.

Hon. members in this House of Commons will recall the attitude of the Tory party then. Their spokesman was the hon. member for Lake Centre (Mr. Diefenbaker), and what he said can be found at page 667 of *Hansard*. Referring to the MacQuarrie committee he said:

> That committee, composed of outstanding men, called upon all those affected, including consumers and manufacturers, to send in their briefs. Has not that committee for a year and a half importuned either directly by letter or indirectly through the press asking interested parties to produce evidence regarding resale price maintenance, a subject of more than academic interest to the members of that committee?

And then in the next column on the same page:

> Is it to postpone action and procrastinate? . . . Why postpone and hold back the legislation? Why further delay?

And the very interesting thing about that speech was that it was a very powerful speech, when one listened to it. But when you read it the next morning in *Hansard*, away from the persuasive eloquence, you will find in it no indication whatever as to what his views are on resale price maintenance. If you remember that speech of the hon. member, you find in it nowhere any mention of where he stood in connection with price maintenance. In that respect it was similar to his speech on price control, where again he made a rousing speech but never even mentioned where he stood on price control.

Well, perhaps that is not so surprising, after all; because, after hearing the hon. member for Kamloops (Mr. Fulton) this morning declare—and after all, he was

speaking for his party—"We are not taking a strong position either for or against resale price maintenance"—I say, one can understand the position of the official opposition.

Of course we in the House of Commons are used to this shilly-shallying by the Tories. They twist and they turn, and they sit on the fence. We remember that they twisted and turned and skated all round the manpower situation last session. We remember that they turned sideways, and turned this way and that way on price controls, talking for them but voting against the C.C.F. motion for price controls. Then, this time they say they are neutral. They are neutral—how? They are neutral like the Irish in the last war, who picked sides. In this issue the Tories are neutral, neutral against the hard-pressed consumer of Canada and neutral for the price-fixing manufacturer.

And then what is the position of the leader of the opposition (Mr. Drew)? This is what he says as reported at page 753 of *Hansard:*

> The government by its present action makes it clear that it does not intend to act upon the recommendations they bring forward.

Well, the legislation before us today shows that, as usual, he is wrong.

Now, when the committee was called I was elected chairman. And I wish to point this out again, in view of the comments of the hon. member for Kamloops this morning. I say I was unanimously elected chairman of the committee, and that the hon. member for Kamloops himself and the other Tories voted for me.

Some hon. Members: Oh, oh.

Mr. Sinclair: As chairman I had constantly in my mind the fact that the hon. member for Lake Centre had said, "This committee is to stall and delay and procrastinate a decision."

Mr. Fulton: Let me say—

Mr. Sinclair: And so I had, of course, to show the Tories that this was not so, and so as chairman I took especial pains to expedite the work of the committee in every possible way.

I was very glad to have the very effective assistance of a very able clerk in the person of Mr. Burgess who worked long hours overtime, and the assistance of the king's printer, whose men worked at night so that we could have the report of proceedings on the following day, just as we receive the *Hansard* report of proceedings in the house.

Mr. Fulton: May I ask a question? I would like to ask what about the regard of the hon. member as to unanimous voting?

Mr. Sinclair: If the hon. member will allow me, I say it was unanimous, if only because that on the record there is no "on division" which the Tories always bawl out when anything displeases them.

Mr. Fulton: I want to point out that there is no record of any vote whatsoever. The hon. member is drawing on his imagination.

Mr. Sinclair: The hon. member's memory is faulty, because he and all other members will recall that my election as chairman was carried unanimously. I remember because I was delighted to have his support. But though the member for Lake Centre said the government was stalling and delaying it was the hon. member and his friends who delayed and obstructed the proceedings of the committee, in calling for more and more repetitive evidence from provincial and local retailers. It was he who with a straight face suggested that the T. Eaton Company should come and produce all their records. I doubt whether even this large chamber would have held all those records, and it would have taken the members of the committee years to even thumb through them.

Finally, despite the fact that the hon. member for Lake Centre accused the government of stalling and delaying this legislation, we find it is the hon. member for Kamloops, on behalf of the Tory party, who now offers real delay by moving that this bill be postponed for six months. Today hon. members in this house can judge who is stalling and delaying.

When our committee convened, the clerk of the committee wrote to all those trade groups who had publicly stated that they had made representations before the MacQuarrie committee. He wrote to those who had written to the Minister of Justice asking for a further hearing. Through the press we gave an invitation to all groups interested to file briefs which would be studied by the committee. At first we said that we would print some of those briefs, but in the end we printed all the briefs, for the information of all members and the general public.

We decided as a matter of policy to hear further from certain groups who had raised points in their briefs requiring further explanation. We faced a problem which is faced by every committee of this house which sits on a matter of national concern, the fact that so many people want to come forward with briefs which are largely repetitious. So we decided that in the main we would hear national organizations, and would hear provincial or local organizations only when they dissented from the briefs submitted by their parent national organization. Because

we did not want to be accused of stalling and delaying we gave first preference to those who had asked for the committee to express their views against this legislation, the Retail Federation of Canada, the Canadian Manufacturers Association, the electrical manufacturers, the druggists, the jewelers, the beauty equipment manufacturers and the hardware people.

The groups which were for the legislation, the consumers, the housewives, the farmers, organized labour, very generously forbore demanding to be heard. They said they would stand on their briefs and on the evidence of Fred McGregor. They said that they would rather have legislation than be a party to stalling and delaying it. Because of these circumstances the press was filled with the story of those who were opposed to the legislation and as a result many people became utterly bewildered. The term resale price maintenance does not mean much to the man on the street. That was made quite clear by the lawyer for the hardware dealers who appeared before the committee. He said that as soon as he was appointed he went around to a lot of his friends and asked them how they felt about resale price maintenance and most of them said that they did not know what it was. Then he asked them how they felt about private price-fixing by the manufacturer and they were all against it. I think that is the attitude of the great majority of the people of Canada.

What is resale price maintenance? Resale price maintenance is the practice by which a large manufacturer tells the retailers at what price they must sell his goods so that all goods are sold at the same price by all retailers, big and small, efficient and inefficient, whether they sell for cash or whether they sell for credit. If they do not do that, then sanctions in some form are applied to bring them in line.

There is one interesting thing as far as the Combines Investigation Act is concerned. If the manufacturers get together in a back room and decide that such a retail price shall be the official price, that is obviously an illegal combine and it would be up to our efficient combines branch to commence proceedings against them. If all the retailers organized together, that would also be a combine. Because there would be more of them, it would be that much easier for our combines branch to find out. But if each manufacturer tells all his retailers at what price they are to sell, then it is easy for those manufacturers to get together informally without agreement and agree on this fixed price to the consumer. The effect on the consumer is the same, there is artificial fixing of prices at too high a level. That is really the case against resale price maintenance.

That is the case which was made against it in the British house. That is the case that was made against the great drug combine over there. The British have had some experience in this as this practice has developed to a much greater degree over there because of lack of legislation than in this country. There in many industries all the retailers have got together in a price fixing association. It was cases of that kind that brought about Lloyd Jacob's report; then a debate in the house; then a white paper announcing government policy against price maintenance and then a final debate in the house. I think perhaps the best evidence was given in the House of Commons by Sir Hartley Shawcross, who was then president of the board of trade, who read a letter which had been handed to him by a Conservative member of parliament. The letter reads:

Dear Sir:

I am writing to ask your help and advice; what I want to know is, is it an offence to sell cheap? I bought some hand cream to retail at 1s. 4d. a tube. After a while the price rose to 1s. 8d. I did not raise my price. A woman bought a tube from me at 1s. 4d. She had been sent in by the P.A.T. Association who reported me for not raising the price to 1s. 8d. A man from the P.A.T.A. told me that unless I raised my price to 1s. 8d. I would have my name placed on the P.A.T.A. stoplist and supplies would be stopped. My husband is a diabetic and unable to run my business. He is an ex-service man, 1914-18. Our seven sons served in the last war and some were wounded.

Then follows a comment which Sir Hartley Shawcross rightly considered to be inconsequential.

Needless to tell you that my husband, myself, and seven sons, and one daughter voted for you.

That is, voted Conservative.

That is the type of thing that was happening in Britain under more developed price fixing. When there were infringements of their private rules they withdrew all goods from a particular store. That is what they did in the case of this woman and they left her bankrupt against which she had no recourse at law. They also have a system of fines, they have a private code of law for those who offend against their rules, the sort of thing to which the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to in his speech a little earlier.

Even here in Canada we have had organizations similar to the British P.A.T.A. We need constant vigilance to see that these evil practices are not started again. Despite the fact that we broke up the Canadian P.A.T.A., I should like to refer hon. members to the evidence given in the committee when the

representative of the Canadian Pharmaceutical Association was there. The committee counsel asked Mr. Preston, secretary-manager of the association, certain questions, and I should like to refer to pages 137 and on. Referring to what they called the board of commercial interests, Mr. Preston said that the function of that board was to teach the members how to fix up their shops, how to merchandise better and so on. Then Mr. Phelan asked these questions:

Q. I notice you have not mentioned in that survey any interest in matters of price. Have they any interest in matters of price?
A. No, they have not.
Q. No?
A. No.
Q. Have they taken any part in seeking higher margins for the dealers?
A. No, not as a board.

Then the roof fell in on Mr. Preston. Counsel went on to place on the record many instances where this board of commercial interests had done exactly that, by quoting from articles in druggists trade journals. The first case referred to is to be found on page 139. That had to do with increasing the profit margin on Minard's liniment and Bromo-Seltzer achieved by the board of commercial interests. The next item dealt with was again a retail drug firm which was selling direct at discount to physicians in Saskatchewan, and the board forced this druggist to sell at the full maintained price. Next there was the one case in which the board of commercial interests was unsuccessful. This had to do with Nestle's. They were unable to get Nestle's to price fix their goods. This company considered they were a free enterprise and could sell their goods on the open market to whoever wanted to buy it, and sell it at a fair price.

Then there was a case in British Columbia where the bureau of commercial interests were asking for a 40 per cent mark-up on all drugs instead of a 33⅓ mark-up—that is on selling price. 33⅓ really means a return of 50 per cent on the investment, but they wanted a 40 per cent mark-up which is 66⅔ per cent mark-up on cost. The next case had to do with Pablum. The makers of this widely known baby food had indicated that they wanted to sell it in grocery stores but the bureau of commercial interests moved in on their quarry and stated that if they sold it in food stores as well as in drug stores they would cut out their whole line from the drug stores; they would put them under the counter and on the back shelves. That is what this bureau of commercial interests which Mr. Preston flatly stated had no interest in prices or mark-up was really doing.

[Mr. Sinclair.]

Hon. members should read pages 139 to 142 of the evidence of the committee. The thousands of decent druggists in this country will have no reason to be proud of that witness. True, he was not under oath, but he certainly did not tell the truth.

Mr. Fleming: You ought to be ashamed to make a statement like that.

Mr. Sinclair: The statement is on the record, as the hon. member knows.

Mr. Fleming: You are simply taking advantage of your parliamentary privilege.

Mr. Sinclair: In this bureau of commercial interests we have P.A.T.A. all over again fixing prices and mark-ups. This witness first said the bureau had no interest in prices or mark-ups and then six instances were placed on the record to show that they had publicly boasted of a very great interest. Mr. Preston was the editor of the magazine in which those articles had occurred. Mr. McGregor said that this practice is growing. In the case of the beauty equipment manufacturers, in 1945 less than half their goods were price-maintained, but now it is over 90 per cent. In the case of the electrical appliances, it is up to 80 per cent; drugs, 60 per cent; jewelry, from nothing to 90 per cent depending on the store; hardware, the percentage is quite small, just under 8 per cent.

The Canadian Retail Federation, which represents nationally all the group of retail merchant associations, appeared before the committee at three sessions. They admitted that their views were not unanimous. As a matter of fact Mr. Harris, their representative, was asked if they represented all retailers and he said they did not. Part of the question and the answer given on page 266 was as follows:

Do those members who do not agree with your position fall into any group or any category of retailers?
A. No. They constitute both large and small retailers. I do not know them by name.
Q. Are they a particular type of retailer, such as a department store, or just retailers?
A. No, they are just quite free-wheeling retailers.

They are the sort of real free enterprisers who have made business grow in Canada. All hon. members no doubt have received letters from retailers in their own ridings on this subject. I at the beginning of this committee hearing received just eight; six from druggists, one from a grocer and one from a hardware merchant. I have sent them all the proceedings of our committee. I knew of course of these panic letters which had been sent out by trade associations who create alarm now and again to justify their existence, but I was surprised to receive only eight letters as a

result. So I wrote confidential letters to quite a number of other retailers in my riding whom I knew very well, because these letters on account of the fear of reprisals have to be in confidence as were many of the letters submitted to our committee. I asked them if they had received these alarming trade association letters, and if so, why they had not written me in protest, as directed. The answers I received can be divided into about three groups. Some of the little retailers up the coast in my riding said they did not know what resale price maintenance was all about and so didn't bother writing me. The second group said they did not care, they were always getting these panicky letters but they sold their goods for the price they could get for them. However, the third and largest group—and this is a very interesting thing—wrote me and said that they did not bother writing because they did not believe that Louis St. Laurent and the Liberal party were going to sell the small man down the river.

The retail federation in their evidence expressed great fear that the little man was going to be squeezed out by banning manufacturer's price fixing. Yet the figures of the dominion bureau of statistics put on the record by the Minister of Justice show beyond question that the little man is the most efficient retailer in Canada. The large corporation has its large overhead, its inflexible regulations and its much heavier taxes, because the Liberal government has given the small man a break and encouraged him by lower taxes. Most little stores are not companies. The owner only pays his ordinary personal income tax. When they get larger they incorporate but even then they pay only 20 per cent corporation tax on profits up to $10,000, and personal income tax as well. But the big boys, the chain stores and department stores, pay over 51 per cent corporation taxes on their profits and then personal income tax as well when these profits are paid out as dividends. That is the break which this government and the Minister of Finance have given small enterprise in Canada.

Another interesting thing is that in most retail businesses only a fraction of their trade is resale price maintained. The best example is the grocery stores. Less than one per cent of the goods in the ordinary food store are price maintained, and where are there more little men in business than in the food stores? Where are there better merchandising techniques than in the modern food store, and where is the mark-up less? They are an example of what real free trade can mean. If the little retailers are more efficient why are they worried? The reason they are worried is because of the big discounts given by manufacturers to large retailers. Those manufacturers who came before our committee shedding crocodile tears over the little retailers have the solution right in their hands, the solution suggested by the hon. member for Rosetown-Biggar. Let them set prices not to the consumer but to the retailer. If they sell at the same price to the big man and the little man, as does the wheat board, for example, then the little man can make the most of his extra efficiency. The remedy is in their own hands.

Then of course there was fear expressed about loss leaders. It was very interesting that loss leaders were never exactly defined for the committee by any of the witnesses before us. They were variously defined as less than the laid-down cost, less than cost plus overhead, less than cost plus the full mark-up, but one thing was established, namely, that loss leaders are the product of resale price maintenance in the great bulk of the goods on the market. The jewelers' association spokesman came before the committee and slapped down twenty-five pages of bargains out of one issue of the Toronto *Star* to show that there was ample opportunity for competition in the field which is not resale price-maintained, a great argument to the consumers for free trade. It is only when a uniform manufacturers' fixed price across the country is dropped by one retailer that it suddenly appears because of its uniqueness as a very attractive bargain and so becomes a loss leader.

The head of the retail federation said it was not ethical to use the profits on the sale of other goods to hammer down the price of one particular price maintained product. The question arises of course: What is the reward for efficiency? With our retailers, as with everything else, we have very efficient retailers, retailers of average efficiency and some who are not so efficient. With fixed prices how can the efficient retailer pass on to his consumers the advantage of his efficiency? That question was asked of the representative of the Canadian Manufacturers Association, and his answer, to be found at page 577 of the proceedings of the committee, was as follows:

> If you are maintaining a price, as long as you do maintain that price, then the retailer can neither pass along to the consumer the benefits of his efficiency or the penalties of his inefficiency.

The hon. member for Provencher (Mr. Jutras) asked the same question of the head of the retail federation. He wanted to know how the efficient retailer can pass on to his consumers the benefits of his efficiency. The head of the retail federation answered in

this fashion, as found at page 268 of the proceedings of the committee:

> Very easily indeed, on the items which are not price-maintained. He is going to give the people that benefit.

It is apparently unethical to take profits from other lines and lower prices on resale price maintained lines. That is loss leadering according to the retail federation. But it is apparently quite ethical to take the excess profits of the efficient merchant under resale price maintenance and then, according to the head of the retail federation, lower the prices of those goods which are competing openly on the market without price fixing. Very curious ethics!

There was an argument advanced by one C.C.F. member—and he did not speak for his party—and by the Tory members that resale price maintenance, price-fixing by manufacturers, is just the same thing as labour unions getting together and establishing a flat rate of wages, or the same as the farm support boards setting floor prices for agricultural products. I say on behalf of the Liberal party first of all that the Liberal party has never regarded labour as a commodity to be priced like a bag of sugar or a bag of potatoes. The second thing is that the labour employer, the buyer of the service, and the labour union, the seller of the service, come face to face under government legislation, approved either by parliament or by the legislatures where the public has an interest, and agree on the price which they are going to pay and receive for labour. If they cannot agree then we have, again through public legislation, the process of conciliation and arbitration. The same is true with farm boards where the government, whether it be the federal government or a provincial government, sets up the boards for the public, and on each of them the consumer has representation. But the manufacturer fixing prices in the back room gives the consumer no representation. If there is going to be any price fixing done, then, as the hon. member for Rosetown-Biggar said, it should be done under public legislation by the government and not by the manufacturers in back rooms.

The next point raised was the rigidity of resale price maintenance. Of course the funny thing is that resale price maintenance, which is so important to some manufacturers, was shown to us to be certainly not rigid. Let me give you some evidence. The electrical manufacturers said there was no control on the value of trade-ins and therefore the retailer who wants to give a fictitiously high value for a trade-in can do so. Seventy-five per cent of the retail electrical trade accepts trade-ins and so by giving high trade-in values they effectively lower the manufacturer's fixed price to the consumer. At page 325 of the proceedings of the committee Mr. Longestaff of the electrical manufacturers said:

> If you went into any retailer and wanted to buy an appliance he would give you 10 per cent or 15 per cent off if you did not tell anybody.

Mr. Fleming: Don't forget he was a Liberal candidate in the last general election.

Mr. Sinclair: He was a representative of the electrical manufacturers when he was here. He was not speaking as a Liberal candidate.

Mr. Fleming: Nevertheless he was a Liberal candidate.

Mr. Sinclair: The manager of the Canadian Jewellers Association said the same thing. At page 682 of the proceedings of the committee he said:

> I think when a customer goes into a store the retailer will make his own arrangements with him; and if the customer says: "I want my cash discount," I think the average retailer would give it to him and not turn him away.

A little farther on he said:

> If you were my cash customer and you said: "I want my 6 per cent cash discount," I would say that as a retailer I would be terribly stupid if I did not give it to you in spite of price maintenance. The only harm in price cutting is in the advertising of it.

I want to speak on behalf of the ordinary Canadian purchaser. We have been reared not to barter like Arabs in eastern bazaars but to go to the store and pay the price which is shown. What advantage is it to that decent person to know that under this present system of price maintenance, less honourable people can go to a jeweler and haggle and get 10 or 15 per cent reduction on resale price-maintained goods or 5 or 6 per cent discount for cash "as long as nobody knows". I want to speak too for the honest merchant who, having a contract to fix prices with the manufacturer, does not chisel by giving discounts to demanding customers "as long as nobody knows about it". That leads us to this very interesting point about Eaton's brief. We had before the committee Mr. Hougham, whom the hon. member for Kamloops (Mr. Fulton) has well described as one of the ablest witnesses to appear before the committee. When asked why Eaton's had submitted such a brief he said, as recorded at page 767 of the proceedings of the committee:

> . . . I would think one of the reasons they are opposed to resale price maintenance is that it is not effective, it is not completely effective. In other words, in order that they might be protected themselves from price competition they would have to, and do, employ a very considerable shopping force to watch their competitors to see

that their competitors' prices are comparable with theirs, and for that reason they do not want to be tied to a contract which binds them but does not effectively bind their competitors.

You could not go into these big stores and haggle over resale price maintenance and get a discount "provided nobody was looking." Yet these stores must compete against those who, while subscribing to price fixing, will do this, "provided nobody is looking."

The major effects of this legislation will be to strengthen the Combines Investigation Act. That is the opinion of both the past and present combines commissioners. There are two secondary effects—and I say they are secondary effects—on the cost of living. One is immediate. Free competition in this country will undoubtedly reduce some of these resale price-maintained prices, which are unduly high. It was defended of course in the committee on the ground that the resale price maintenance percentage mark-up is lower than on free trade goods. Of course one other thing was pointed out, namely, that on resale price-maintained goods the manufacturer does the advertising. In other goods the retailer has to do the advertising, and so obviously should get a bigger mark-up. But it is not percentage mark-ups that are important to the consumer; it is the price he pays. It was pointed out by many witnesses that accurate comparisons are difficult; in the vast field of consumer goods in Canada there are so many varying stores, varying conditions of sale and varying qualities. We have, however, three good comparisons. The first one is that of the United States. It was pointed out that in the United States of America there are three free trade states and forty-five states where price maintenance is the law and so identical goods are sold under both conditions. That has been dealt with already. A very fine article appeared in the American magazine *Fortune*, which is not the voice of big business, but it is certainly the mirror of big business in the United States. In the issue of January, 1949, which is in the library, there was a leading article entitled: "The Not-so-fair-trade-laws." It points out, as stated by the Minister of Justice (Mr. Garson) that a comparison between Maryland and Washington, a free trade state and a non-free trade state, showed that of 117 branded drug items 35 per cent cost about one-third less in Washington than in Maryland; 38 about a quarter less; and 29 about one-seventh less. In the druggists' own brief at page 543 they compare price-fixed Kansas and free-trade Missouri. They show Phillips' milk of magnesia, 21 cents in Missouri, 49 cents in Kansas; Zonite, 59 cents in Missouri, 79 cents in Kansas; Murine, 34 cents in Missouri, 49 cents in Kansas; Bromo-Seltzer, 39 cents in Missouri, 57 cents in Kansas; Anacin, 89 cents in Missouri, 98 cents in Kansas. They point out that as a result of that the Kansas housewives, veterans and consumer organizations are on the march. Well they might be!

The second example is right here in Canada. The province of Newfoundland, before union, did not enjoy the blessing of resale price maintenance, but when they came into union they got it. And as the Newfoundland co-operative brief pointed out, the prices in every line except cars rose immediately when resale price maintenance was applied to Newfoundland and so they had a royal commission on this matter. The hon. member for Burin-Burgeo (Mr. Carter), and I hope the members of the Conservative party from St. John's as well, will speak further on this. Let me give you one example. The ordinary little ignition battery used by fishermen there before union cost the retailer 45½ cents landed, and he sold it for 60 cents. After union it cost him a cent more, 46½ cents, but resale price maintenance, this great benefit to the consumer, got the price up to 80 cents. That is quite a price to pay for resale price maintenance.

Mr. Fraser: There is a sales tax on there, too.

Mr. Sinclair: That is the landed price to the retailer including taxes. Then here in Canada I have a comparison between goods which are exactly comparable. Professor Fuller, an expert witness for the druggists, pointed out that because of our federal drugs act all drugs must meet the same standard and that Bayer's aspirin is the same thing as salicylic acid. On Bayer's aspirin the retailer gets a 22·68 per cent mark-up, but on the same article under a non-brand name he gets a 50 per cent mark-up. That is very good, but the only trouble is that Bayer's aspirin sells for 79 cents a hundred and the same thing in the non-resale price maintained goods sells for 19 cents a hundred. The consumer could save 60 cents on that, but the consumer never has a chance because the resale price maintained goods are the goods which are on the counter for the consumer and the others are under the counter.

Mr. Fleming: No evidence of that.

Mr. Sinclair: The second effect on the cost of living of course is the long range effect. If this legislation strengthens, as Mr. McGregor says it will, as Maxwell Fyfe says it will, as Mr. MacDonald our present combines commissioner says it will, if it strengthens the Combines Investigation Act

by making the prosecution more effective, we will be able to stop the practice of those combines whose purpose is to get higher and higher prices from the consumer, preventing new techniques and new inventions which might destroy existing products.

On this question, the greatest authority in Canada on combines, the man who has beaten them, came before this committee and said that the abolition of resale price maintenance will do just that. That man of course is Mr. McGregor, who was combines commissioner for 25 years. He was requested by the hon. member for Lake Centre (Mr. Diefenbaker) at page 670 of *Hansard* as follows:

> Let us bring in Mr. McGregor because I am sure that if his lips are unbridled, if he comes in unhobbled by any consideration other than to help the committee, he will make some revelations that will be most interesting and I am sure most helpful in suggesting effective amendments to the act.

A little later on he said:

> He is the number one man in this business if we want to get at the facts.

Mr. Drew: Mr. Speaker, for the purpose of the record I think it is proper that it should be pointed out that the quotation that has been read with its customary clarity related to the argument that this committee should be dealing with the whole question of the combines act and not with this limited subject.

Mr. Sinclair: The leader of the opposition as usual is wrong, because this quotation is taken from the earlier part of his remarks before he developed the theme about having a complete combines investigation. Having established this in the first part then he went into the theme about having a complete investigation.

Mr. Fulton: That was the whole point.

Mr. Sinclair: I hope you are taking note of the interruptions, Mr. Speaker.

Mr. Hees: Will the hon. member permit a question?

Mr. Speaker: Order. The hon. member's time has almost expired.

Mr. Drew: There is lots of time.

Mr. Sinclair: Thank you.

Mr. Knowles: Let him know.

Mr. Sinclair: However, I want to turn—

Mr. Speaker: My point is that the hon. member for Broadview can ask a question only with the consent of the hon. member who has the floor.

Mr. Sinclair: I will give my consent at the end when there will be no argument about time. I will gladly say that he was the strongest member of the Progressive Conservative party, and in the committee he was most insistent that Mr. McGregor be called before the committee. Well, Mr. McGregor came before the committee. The hon. member for Broadview was the first questioner on my list when Mr. McGregor finished his evidence. I said: "All right, Mr. Hees, have you your questions ready?", and he passed. He said "I think Mr. McGregor has answered all my questions". But that night he got back amongst his Tory colleagues and they straightened him out on that and got him back to stall and delay. The following day he then did have some questions to ask.

Let me say that no members of this house should vote on this legislation without reading the evidence of Mr. McGregor because he is certainly, as the hon. member for Lake Centre said, the number one man, and his evidence, garnered not out of academic theories, but from 25 years of fighting these great combines on behalf of the people of Canada and fighting them successfully, warrants him the hearing he got.

In the experience of the oldest committee clerk in this house, the oldest reporters in this house and the oldest members of parliament who heard his evidence through, they say that never had a more objective and more powerful brief been presented to a parliamentary committee.

Let me in conclusion turn in summary to those who are supporting this legislation. On behalf of the consumer, the man who is almost completely forgotten in all the arguments put forward by the retailer and the manufacturer, first of all the two combines commissioners, Mr. McGregor for 25 years and Mr. MacDonald for 2 years, both in their briefs, both in examination before the committee, supported this legislation as being helpful in strengthening the Combines Investigation Act; the royal commission on prices; the MacQuarrie committee; organized labour in Canada, as represented by the four great labour congresses—the Trade and Labour Congress, the Canadian Congress of Labour, the Catholic unions of Quebec and the Railway Brotherhoods—their briefs are at pages 73, 377, 546 and 551 of the proceedings; the farmers of Canada through their great voice the Canadian Federation of Agriculture. Their brief pointed out that the farmers and the fishermen are caught twice by resale price maintenance, not only as consumers but as producers. The great industries in my riding, when they buy equipment, go direct to the manufacturer and escape price fixing; but the little producer, the farmer and the fisherman, the little fellow, goes to the retailer for his equipment to produce and the very goods he buys for his production, the tractor, the

twine, the engine for his fishing boats, his nets, and so on, are sold under resale price maintenance. Yet the farmer and fisherman must sell in the open markets of the world where there is no resale price maintenance. The housewives of Canada are for this legislation through their representatives, the National Council of Women and through the able brief of the consumers association of Canada; and the housewives of Canada really know about prices. The great co-operatives of this country who have done so much for the farming and fishing communities are for this, as are also the Saskatchewan wheat pool. All these people are for this legislation. The majority of manufacturers in Canada who do not practise resale price maintenance, who are real free enterprisers, who go out on the open markets of the world selling their goods in the face of world competition, are not for this resale price maintenance. All they want is the right to suggest prices, and the right also to enforce maximum prices so retailers cannot gouge the public in times of scarcity as they have in the past.

Mr. Speaker: Order. The hon. member's time has expired.

Mr. Drew: I hope that ample time will be allowed members in this debate, because it is going to continue for a long time.

Mr. Knowles: On a point of order, Mr. Speaker, if we give unanimous consent to one side we shall have to give it to the other. I do not think the hon. member should continue for more than a sentence or two.

Some hon. Members: Agreed.

Mr. Speaker: Two minutes?

Mr. Sinclair: The Canadian Chamber of Commerce shows a diversity of opinion, because they are the ones who have been strongest against government price control and so realize they cannot advocate private price control. At their conference in Quebec, since they were against government price fixing they could not endorse manufacturers' price fixing. Many, many of the retailers of this country giving good service to their customers are also for this legislation, and the three political parties of the people, the Liberal party, the C.C.F. party and the Social Credit party, are with them against manufacturers price fixing.

Who are against this legislation? Some retailers who were frightened by the panicky letters they received from their trade associations crying havoc and ruin. Some retailers remember the terrible days under the Tories of 1930-35, and believe that resale price maintenance has saved them from that condition today. It is not resale price maintenance which has saved them from a return to those days, it is the great policies of the Liberal party since that time. These policies have caused every year since 1935 increasing employment, ever increasing social security, a better break in taxation for the little retailer and greatly increasing industrial expansion. Today as a consequence we find our currency is the second hardest in the world, the real acid test of any economy.

Who are those who are against it? A few reactionary manufacturers who have loudly proclaimed at endless board of trade meetings their allegiance to free enterprise, that is for everyone else, but who want iron-clad protection through fixed prices themselves, and that party which, since the days of the family compact, has been the historic friend of privilege, monopoly and reaction, the Tory party.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I am sure the house has welcomed the relaxation provided by the matinee performance which has just been concluded. It was an extraordinary histrionic performance. It will not be hard for those who have any claim to open minds on this subject to realize, after the performance we have just witnessed, how utterly hopeless it was in that parliamentary committee to try to obtain a fair hearing for both sides of the question. We have had a great conglomeration of distorted references to evidence, abuse of witnesses, etc., all of which is in keeping with the sort of thing we witnessed in that committee day in and day out at the hands of the same hon. gentleman.

Now, sir, I wish to begin with the MacQuarrie committee report. I remind the house that that committee was appointed to study the whole Combines Investigation Act and its operations. It was not the committee's idea that it should be called upon to divorce one particular segment of the problem from the whole, and make an interim report on that. This was the government's idea. I invite hon. members to consider the circumstances under which that report was made. Let us recall that the government has been under strong attack for a long time over its failure to grapple with the problems rising in the wake of the high cost of living and inflation. Having done nothing in that direction, as a matter of fact having heaped fuel on the fires of inflation by their outrageous taxation policies, the government was looking about for some means of distracting public attention. Apparently one member of the government came up with what he was sure was a bright idea.

That hon. minister had need of a bright idea, particularly on this subject. After parliament had been summoned a hurry-up

call was put through to the MacQuarrie committee asking that committee to bring in an interim report on this one particular subject, detached from the remainder of the considerations of the Combines Investigation Act, and so with great speed that committee wrote this report. The haste in the writing of the report is reflected in almost every line of it. It is reflected most of all, I think, in the clear departure contemplated by this report from the essential principle of the Combines Investigation Act, to which I hope to return later in my remarks. We see this report going forward to the Minister of Justice (Mr. Garson) who, as I have said, had some special reason for wanting to come up with a bright idea about the Combines Investigation Act because of the way in which he himself in 1949 had committed a flagrant and outrageous breach of that act, which breach continued for a year or more and made him the No. 1 lawbreaker in Canada. It was not thought such a bad idea, apparently, for him to come up with some proposal that would make it appear as though he were going to do something constructive under the Combines Investigation Act. The stage was carefully set on the eve of the opening of parliament.

When we look at this report from the MacQuarrie committee we see, in the first place, that it is open to two very strong criticisms. No one can read that report without concluding that it is merely a catalogue of opinions. There is no evidence in that report, and that is the first obvious weakness. Mr. McGregor said the committee had before it no statistical evidence. We do not know what they had before them or what they had not, because in this report they have not told us what evidence they had before them.

The second great weakness of this report is that it simply sidesteps the problem of loss leaders. The MacQuarrie committee recognized the formidable nature of this problem of loss leaders, and in the concluding paragraph of the report they say:

> As to the "loss leader" device, the committee believes that it is a monopolistic practice which does not promote general welfare and therefore considers that it is not compatible with the public interest.

The MacQuarrie committee stopped there. They have brought forward no recommendations for coping with the formidable problem of the loss leader. They did not do so, sir, for the interesting reason which is to be found in the final sentence of the report:

> . . . and the committee, therefore, does not think it imperative to make an immediate and hasty recommendation regarding that practice.

If the MacQuarrie committee would have regarded it as hasty to try to formulate some recommendations for coping with the problem of loss leaders, then what is to be said of the way this report has been jammed through a parliamentary committee, and now the government is attempting to thrust it down our throats?

Apart from the lack of any policy to cope with this great problem of the loss leader, what weight is to be attached to this report? In cases of this kind one naturally looks with respect at the authors. One wishes to attribute to a report of this kind whatever measure of authority stands behind such individuals as compose the committee. As to the fact that one member of the committee was a judge, I think it is not unusual that the opinions of judges are subject to appeal; but when those opinions or judgments go before a court of appeal the conclusions are weighed in the light of the evidence. No member of this House of Commons can today form an intelligent judgment of the MacQuarrie committee's report because we do not know what evidence, if any, that committee had before it on which it based those conclusions.

As to the learned professors who composed the balance of the personnel of the committee, especially when hon. members like the hon. member for Spadina (Mr. Croll) invited the committee to sit down and accept without question anything that fell from the lips or pens of these eminent gentlemen, I think it is only fair to observe that anybody working under the pressure that apparently this committee was obliged to, under the direction from the government of September 10, could easily make mistakes. There is not, I think, any of these gentlemen who can claim to be infallible. I think it is only fair to observe that men working under pressure, whether of time or of an importunate and ambitious minister of the crown, can easily make mistakes.

How practical is the report? The authority of the report depends to some extent on the experience of the authors, and I think it is only fair to observe in passing that if this report has to stand on the strength of the opinion of the authorities and has no evidence to support it, then we can only observe in all fairness that none of these worthy gentlemen has had any experience in merchandising; and certainly one of them was out of the country all last summer and was quite busy when he got back to Kingston in September, and I greatly doubt if he had much time to devote to the writing of this report.

I said in the committee, and I say it in the House of Commons, that given the evidence on this important question of resale price maintenance the members of the House of

Commons, with their training, with the technique they have of applying their minds to political and economic questions, and with their experience, are just as capable of forming an intelligent conclusion on a question that has both economic and political aspects to it as are any members of any royal commission.

I therefore say to you, sir, that the House of Commons ought to have the evidence on this question. The House of Commons has not been given the evidence. There is not a member of this house who can claim, in making the decision which the government asks him to make, that he is making an informed decision in the light of evidence and facts. If he does so he is flying in the face of truth. The fact of the matter is—and it is crystal clear after what has happened in these recent days—that the government's minds were made up before this report was ever received. They were simply looking for an opportunity to buttress a recommendation that was being written into the throne speech. They might just as well have foregone the parliamentary committee because their minds were made up before that committee was ever appointed.

It is not unfair to comment, sir, that it was the Minister of Justice (Mr. Garson), when he was meeting the people who were coming before him with complaints, problems and protests about what the government was doing, who cooed away in their ears and said to them; "You have nothing to fear from this. Coldwell is pushing us hard for price control and we must have something that we can hold out in front of the people. This is what we are going to do. It will not hurt you. You just be quiet, and this is what we will dangle out in front of the people." That is the sort of birth this ugly child has had.

Mr. Garson: On a question of privilege, Mr. Speaker, may I say that neither my hon. friend nor any other human being is able to adduce any shred of evidence in support of these statements that he has just libellously attributed to me.

Mr. Fleming: Mr. Speaker, the hon. member for Coast-Capilano talked about evidence he had but which he did not dare bring out because of the fear of reprisals. That is the kind of evidence which I have just quoted here. I am not going to belabour the Minister of Justice because we know that he has a notoriously short memory. He forgot about a report for a whole year.

This MacQuarrie report has about it these aspects which invited the comment of the Trades and Labour Congress of Canada upon it in these words: it was a contrived argument to support a preconception.

What of the parliamentary committee? What of this joint committee of both houses of parliament? This was understood to be a response on the part of the government to the outcry of those who were condemned otherwise without trial; and so the offer of a trial was held out. It proved to be a pretence. The kind of hearing that was afforded to those interested, those who were condemned without trial otherwise, in that committee, I say to you, sir, would not do justice to and would not reflect credit on any parliamentary system. As a matter of fact, what is it that distinguishes our conceptions of parliamentary institutions or our ideas of justice from those currently in vogue in China or in Russia? Surely it is that we give people a fair hearing and try to arrive at a just decision. Both those features of justice were lacking in this case.

Those who came before the parliamentary committee received neither a fair hearing nor a just decision, as reflected in the report of the committee. I have been in this house long enough, sitting as an opposition member and facing a Liberal government, to know that a parliamentary committee is not like a court of law. You cannot expect the same kind of adherence to justice in a parliamentary committee dominated by a Liberal majority. Nevertheless, surely the public expects of parliamentary committees something better than the sham and travesty that was perpetrated in the name of justice and parliamentary institutions in this case in this committee, for a sham and a travesty it was.

Some hon. Members: Oh, oh.

Mr. Fleming: There are two people who to the end of time will bear the principal responsibility before the bar of history for making out of that committee a sham, a travesty, and a miscarriage of justice. The one is the Minister of Justice (Mr. Garson); the other is the loquacious member for Coast-Capilano (Mr. Sinclair). If ever a question was prejudged before it saw the light of day or before it was referred to a parliamentary committee, it was this question. It is no better than communist procedure, surely, if the question is prejudged before the hearing even commences. The government prejudged this question, and the proceedings of this committee will ever remain a dark blot on the parliamentary processes of this country. Of all the parliamentary committees that it has been my privilege—

Mr. Garson: On a question of privilege, Mr. Speaker, may I say that my hon. friend is making some extremely serious charges against the hon. member for Coast-Capilano

and myself. I wonder if he will, before he takes his seat, quote any shred of evidence from the recorded proceedings of the committee in proof of those charges?

Mr. Fleming: I wonder if the Minister of Justice would like me to take up some more of my time in reading long extracts from the evidence? I shall be glad to furnish him or any other member of the house with ample extracts to prove and buttress every statement I am making here this afternoon. Of all the parliamentary committees on which I have sat in six years in this house, this one unquestionably was the worst, in terms of the way it was handled and in terms of the way procedure was wrenched and distorted in order to serve the political ends of the government.

Mr. Lesage: You were not there all the time.

Mr. Fleming: I was there every time the committee sat except when I had to leave in order to attend another committee that was sitting simultaneously; and I addressed myself to my duties on this committee with, I think, the same conscientiousness with which I have sought to address myself to my duties on all committees on which I have sat in this house. If the hon. member for Montmagny-L'Islet (Mr. Lesage) will be honest with himself and with me he will recognize that fact.

Mr. Lesage: I just said that the hon. member was not there all the time, and he agrees.

Mr. Fleming: I have just explained any short absence of mine from any meeting, and I have told the hon. member that I have made a point of closely following the evidence in this case. When I speak of the rotten injustices perpetrated in this committee—

Some hon. Members: Oh, oh.

Mr. Fleming: —by the chairman of that committee, I am speaking only of that which I saw with my own eyes, Mr. Speaker; make no mistake about that. This committee operated under the domination of the government. It was a complete sham.

Mr. Sinclair: As chairman of the committee, I think I owe a certain obligation to the other members who were on the committee. I will discharge that obligation by pointing out that even on those days when the hon. member was there he never at any time complained about these rotten injustices of which he is now complaining.

Mr. Fleming: There is not a fragment of truth in what the hon. member has said.

[Mr. Garson.]

Mr. Garson: On a question of privilege, I think my hon. friend should either withdraw that statement he has just made, or quote from the evidence of the committee to prove it. Either one of the two: Withdraw, or prove it.

Mr. Fleming: I will not withdraw one iota of what I said. I will make my speech as I want to make it, and the Minister of Justice is not going to reconstruct my speech for me.

Mr. Garson: If my hon. friend has no respect for his parliamentary duties, then he should have some respect for his integrity as a citizen and prove the libellous statements he makes.

Mr. Drew: May I suggest that the minister remain quiet and wait until he has his opportunity to reply.

Mr. Speaker: Doubtless a great deal of heat has been generated in this debate. I have allowed hon. members to express themselves freely. I did not understand the hon. member for Eglinton to accuse anybody of telling what is not true. He meant to say, I think, that it was not a fact. However, the hon. member realizes that he cannot accuse another hon. member of knowingly uttering an untruth. I did not think he did say that.

Mr. Fleming: I did not use the word "wilfully". The word "untrue" is quite parliamentary. I did not use the word "false".

Mr. Garson: My hon. friend said that two members in question were guilty of rotten injustices. I would like him to prove that from the evidence, or withdraw it.

Mr. Fleming: If the minister will be good enough to sit down, after speaking for two and a half hours yesterday, he will get enough evidence of the injustices that were perpetrated.

Mr. Speaker: I must not allow this to go on. As I say, a good deal of heat has been generated, and I did allow some expressions to go. However I suggest to the hon. member that "rotten injustices" is hardly parliamentary.

Mr. Fleming: If what I have said is unparliamentary I will withdraw it, and substitute the words "gross and unseemly and unpardonable injustice."

Now, I wish to make it clear that we members of the official opposition went into that committee with an open mind on the subject. We asked that Mr. McGregor be called. You would think that Mr. McGregor had suddenly become a saint today. Perhaps the government should be reminded that it was because of the cloud this government

cast upon him that he tendered his resignation two years ago, because as a self-respecting citizen he would not submit any longer to the indignities cast upon him by this government. We of the official opposition wanted to have the evidence of Mr. McGregor, with his long experience. We make no apology for asking that he testify. Let those apologize rather who were responsible for refusing to hear other people who were entitled to appear before the parliamentary committee, and who thus prevented justice being done in the name of the Canadian people.

And, sir, the committee got under way. The prevailing idea at first was that we would preserve balance. The idea was that we would hear those in favour of resale price maintenance and also hear those against it. The hon. member for Kamloops and I sat in on the steering committee and it was decided that we would alternate the witnesses, first one opposed to price maintenance, then one favouring it, so that this committee would have a balanced presentation, and so that through the press the public would have a balanced report.

The first organization called was already on record as against resale price maintenance. I refer to the Canadian Congress of Labour. The alternating of witnesses in this manner was proceeded with for a few days, until there was a meeting of the steering committee after the first week or ten days. By that time it had become clear that we could not hope to conclude the work upon which we were embarked. The fact was clearly conceded by the representatives of the other parties present when the chairman, who was in a more responsible mood than today, said, "If we do not push this through to a conclusion at this session you fellows"—and he turned to my friend from Kamloops and myself—"will be criticizing us for not pushing it through." We said "No", that the committee could not be criticized if it did not fully accomplish what was an impossible task, at this session, although criticism could attach to the government for starting on something that had not been properly considered before it was begun, and it would have to take the responsibility and the criticism for that.

The chairman said he would talk with the minister about it, come back and make a report. That was at the end of one week. It must have been a hectic weekend in the Liberal party, because when the committee assembled at the first of the next week all was changed. We were told that this committee was going to report at this session. We were told that from that point on there would be no time to hear both sides of the question. We were told there would be no opportunity to appear afforded to those who had put in briefs in opposition to resale price maintenance. We were told that a deadline would be fixed for the conclusion of the hearing, and that it did not matter from that point on how much we protested—we, of the official opposition, those of us who wanted to hear both sides of the question and get all the facts—we were told it did not matter. Taking his instructions from the government, through the Minister of Justice, the chairman of the committee applied the guillotine. From that time on the chairman of the committee functioned as a guillotinist; and he did it under the direction of the Minister of Justice.

If that is justice, then we think we had better recast in this House of Commons, very soon, our idea of justice.

Mr. Garson: On a question of privilege, Mr. Speaker, with respect to the statement that my hon. friend has just made, that I instructed the chairman of the committee as he has said: That is contrary to the fact, and I am asking him to withdraw it.

Mr. Speaker: The hon. member must accept the minister's word.

Mr. Fleming: Very well. I will accept the minister's word; I will indeed. But it amazes me just how subtle governmental influence can be. It may be that the minister, as a member of the committee, thought it was good policy that he should not personally try to exert those subtle influences. Nevertheless those subtle influences were exerted. And it was very apparent, and very rapid indeed was the reaction of the chairman of the committee. No, the government could not have asked for a better chore boy to do their job, to do their political chores, than the chairman of this committee proved himself to be. And he certainly has laid this government under a debt of gratitude to him for the way he guillotined the proceedings of the committee.

What is the result with which we are faced here? What is the result of this abuse of parliamentary proceedings, in a desperate effort to improve the political fortunes of the government, and to retrieve the political fortunes of the Minister of Justice? First, the evidence, if any, before the MacQuarrie committee was withheld from the committee. Second those who were called before the committee were not sufficiently heard. Their time, as well as the time of the individual members of the committee, was rationed. In the third place, there were many who applied to be heard and who were refused permission. Many of them represented retail interests and associations in this country. They represented retail merchants, numbering thousands of people in the ranks. Then, in addition, there

were those who did not appear before the committee and who did not apply for hearing because they realized the futility of it, in the light of the ruling which had been made.

Then there were the simple-minded people like myself who asked that representatives of the dominion bureau of statistics should be called before the committee so that we might have all available statistical evidence concerning this country. But that suggestion was pooh-poohed. There was not time, they said, to listen to the bureau of statistics, though we listened to the Minister of Justice yesterday reciting statistics from the bureau of statistics. Yet we were told in the committee these matters were so trivial that we should not listen to them at all.

Then there were many supporters of resale price maintenance who should have been called, but were not called. I think this house ought to know the reason we did not hear from these people supporting resale price maintenance.

We had the viewpoint of important consumer organizations, of the Canadian Congress of Labour and the Trades and Labour Congress. We could have had also representatives of some of the bigger interests in the merchandising field. The T. Eaton Company had made their position public at an early date, a position which must have given great comfort to the government. Why were not they called? We of the official opposition asked that Eaton's should be called to give their reasons. They undoubtedly would be informed reasons for supporting the proposed ban on retail price maintenance. But the committee sided with the government to apply the guillotine in order to prevent the committee from having the evidence of T. Eaton Company Limited, the largest departmental store in Canada. Our attempts in the opposition to make that committee really effective for the purpose of obtaining information were thwarted by the majority on the committee.

The hon. member for Coast-Capilano in one of his most fanciful flights today talked about obstruction on the committee. I submit that the greatest obstructionists that have ever been seen in the House of Commons were those submissive, obedient members of that committee who obeyed all the wishes of the government and obstructed the hearing by that committee of evidence bearing on this question such as any intelligent and conscientious member would want to have before being called upon to make his decision. Therefore, as far as I am concerned—

Mr. McIlraith: On a point of order, surely hon. members who were not on this committee do not have to hear—

Mr. Casselman: Go outside then.

[Mr. Fleming.]

Mr. McIlraith: Surely they do not have to hear a member who has become heated about this subject use terms which impute obstruction and dishonesty to his parliamentary colleagues in the House of Commons who happened to sit on the committee. He may differ as sharply as he wishes with what that committee did and with—

Mr. Fraser: Is this a question of privilege?

Mr. Speaker: The hon. member is speaking on a point of order.

Mr. McIlraith: I am rising on a point of order, and I am adhering strictly to it. Surely the hon. member has not the right to impute dishonesty to his fellow colleagues. He has done that directly. I rise on a point of order to make that protest. I noted that the leader of the opposition (Mr. Drew) abused the rules a few minutes ago when he deliberately made a wrong reference in referring to another hon. member of this house. There are rules in this house, and surely they should be observed.

Mr. Fulton: Why should this dissertation be allowed to take place?

Mr. McIlraith: I am asking the Speaker to enforce the rules of the house, and I draw to his attention that there has been a charge of dishonesty on the part of the hon. member for Eglinton in connection with his fellow members on a committee of the House of Commons.

Mr. Fleming: I did not charge dishonesty.

Mr. Drew: I should like to point out that some of us may be a little surprised that the hon. member who has just spoken has taken it on himself to advise you as to your duty, Mr. Speaker. It is for you to say whether I have abused the rules or not. I think the remarks that have been made are sheer effrontery under the circumstances.

Mr. Speaker: If the hon. member for Eglinton has accused any hon. member of the house of dishonesty—I did not catch his expression—it would not be parliamentary and he would have to withdraw it.

Mr. Fleming: I can assure you that I did not impute dishonesty to any member of the house. I did impute a great deal of deliberate obstruction in the committee by the government majority on the committee.

Therefore, for these reasons I for one cannot accept the report of the MacQuarrie committee without evidence which would enable me to test the validity of its conclusions. I am not prepared to do anything to condone the gagging of this parliamentary committee and the suppression by the majority on that committee of necessary evidence. I recognize

that this question of resale price maintenance is a very large and important question and therefore it should have careful and ample consideration. The course that has been followed here by the government in gagging the committee is calculated to prevent any fair assessment of the arguments that have been submitted.

When we are asked by hon. members, as we were by the hon. member for Coast-Capilano in his flight of oratory this afternoon, to picture resale price maintenance as being a vicious system today, I invite him to remember, because evidently his memory needs some jogging, that this practice has grown up and reached its present extent largely during the lifetime of the present government. It did so while a man was Prime Minister in this country who claimed to be the father of the Combines Investigation Act and who looked with no little favour and respect upon Mr. McGregor. I just ask hon. members of the house, before they get too far over the brink on this question, before they go too far in their denunciation of resale price maintenance, to recall that the practice grew up under the government of the late Mr. Mackenzie King, who manifested a great interest in combines. If the practice is as vicious as the hon. member for Coast-Capilano pictured it to be this afternoon, I wonder what has been going on in this house since 1935. Did we have to wait until the arrival of the Minister of Justice (Mr. Garson) in the house to come up with the discovery of this problem in all its iniquity, as it was described to us today? Is he the only man who has recognized the problem at all? Is he the only man who has been able to diagnose it and see it in its true dark light? Is he the only man who is capable of conceiving a solution? Is he the only man that has been at all on his job? If so, why was not something done from 1935 to 1949, if the facts were as they have been put before us this afternoon; and I for one say that they are not.

In view of the way hon. members opposite have helped to exhaust my time by their interruptions I am simply going to make a few assertions as to the effect of the limited evidence that was received.

First, the practice of resale price maintenance has grown up as a defence of small retailers against the pressure of big interests. It is not a practice dictated or defended by so-called big interests. Mr. McGregor made it quite clear that the practice is wanted by the retailers, rather than the manufacturers. The Minister of Justice talks about the expensive establishment, on the one hand, and the plain cash and carry store, on the other. He got a little bit confused. Apparently the plain cash and carry stores are the chain stores, and undoubtedly they will take great comfort from what the Minister of Justice said yesterday.

Second, the principal danger against which resale price maintenance protects the small retailer is the practice of loss leaders. It is the branded, price-maintained articles that are found most suitable for exploitation as loss leaders.

Third, the loss leader is a thoroughly vicious practice. That has been made perfectly clear by a great number of authorities.

Fourth, there is no adequate alternative protection against the loss leader. That was made abundantly clear by Mr. McGregor in his evidence. It is made abundantly clear by the way the MacQuarrie committee spoke of it. It was made abundantly clear by the hon. member for Spadina (Mr. Croll) when he submitted draft legislation on the subject which the committee did not accept as workable. Section 498A of the Criminal Code does not meet this problem of the loss leader, as Mr. Ralston and Mr. Ilsley said in their speeches on June 10, 1935.

Fifth, resale price maintenance has brought stability into the retail trades affected. In the house we have heard a great deal of talk about the necessity of orderly marketing for farmers. It would not be amiss to point out the value of orderly marketing in the retail trades.

Sixth, there is no proof that the consuming public has been hurt by resale price maintenance. On the contrary, the evidence shows that this practice has provided a guarantee of quality and has increased the number of outlets. In that way it has encouraged increased competition. Then the margin of profit is lower on branded than on non-branded articles. Moreover the margin of profit on branded articles has risen less than on the non-branded in the sellers' market of recent years. The manufacturer sets the margin with a view to making the purchase of his product attractive to the public.

Seventh, there is no proof that the consuming public will benefit from a ban on resale price maintenance. Under that point I cite these four circumstances:

(a) If loss leadering reduces prices of branded articles, the retailers tell us they would have to make up that loss by raising the prices on non-branded articles or go out of business, and in that way reduce competition.

(b) Elimination of retail outlets means less competition and less service to the public.

(c) Concentration of economic power in the hands of chains and big, powerful retail outlets will not benefit the consumer. Any immediate advantage will be of little benefit in view of the long-term disadvantage that he will suffer from growing monopoly in retail outlets.

(d) The manufacturer may be driven, we were told, to protect himself against the chains and big retailers by himself going into the retail business. This will not make for efficiency. In this connection I wish to deal with the reference by the Minister of Justice (Mr. Garson) last night to Henry Ford and his system. Let me tell the Minister of Justice that Henry Ford is not an example of any ban on resale price maintenance. Henry Ford went into the retail business as well as the manufacturing business. The example was far-fetched. Then I come to my next point.

Eighth, there is no proof that the elimination of resale price maintenance will reduce the cost of living. The Prime Minister (Mr. St. Laurent) said so when he spoke on this subject on October 15. He said it would make no material reduction in the cost of living. The hon. member for Rosetown-Biggar (Mr. Coldwell) said the same thing today. We know of course that the Minister of Justice said something different yesterday, and the hon. member for Coast-Capilano said the opposite this afternoon. I would just as soon take the view of the Prime Minister and the hon. member for Rosetown-Biggar as I would the view of the Minister of Justice and the voluble member for Coast-Capilano. Before anybody becomes too hopeful of price reductions he would do well to read an editorial in the *Canadian Unionist*, the journal of the Canadian Congress of Labour, of December, 1951 in which I read the following:

> The enquiry—
>
> That is the one into resale price maintenance.
>
> —is continuing, and has stirred up considerable interest throughout Canada, but there is no reason to believe that, even if the legislation is passed, it will bring about any reduction in the cost of living.
>
> That is only sound common sense and fact.

An hon. Member: Who wrote it?

Mr. Fleming: I say to you, sir, that what we are witnessing here, particularly when we see the juxtaposition of paragraphs in the speech from the throne, where the government deals in the first paragraph on page 2 of *Hansard* with the subject of the rising cost of living and then in the very next paragraph goes on to talk about their proposal to bring in legislation to ban resale price maintenance, is an invitation to the Canadian people to submit themselves to being fooled and deluded into thinking this legislation is going to bring them a reduction in the cost of their living. That has since been exploded by the Prime Minister and others. In the way this legislation is now being pictured by its sponsors it becomes clear that this is just an attempt to perpetrate a great big hoax upon the hard-pressed consumer who has taken such a beating as the result of government policies, and chiefly from government taxation policy. It is perfectly evident as the result of the course the government has followed in this case that what they are trying to do is make a scapegoat of the small retailer. They do not care what huge inventory losses he is going to suffer.

The government obviously want to provoke price wars. They hope to provoke price wars as a result of loss leadering. They wish to get more advertising of price reductions, however misleading, and they want the people to believe that they have brought it about.

If the government really wishes to do something about the cost of living, let them abandon their iniquitous high taxation policies.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, as I was privileged to be a member of the joint parliamentary committee on combines legislation I feel I should make some attempt to explain to my constituents as best I can the reasons why I support this legislation. The great task and the great challenge that confronts this generation is to make democracy work. Democracy cannot work unless the people understand and play their full part. The word "people" includes every one of us. It includes producers, consumers, manufacturers, wholesalers, retailers, members of the learned professions and members of parliament. In a democracy such as ours the part of the people is just as important, perhaps even more so, than the part of government. It is obvious that the people cannot play their part and democracy cannot work unless we have an enlightened public opinion.

The enemies of democracy recognize this and spare no effort to confuse public opinion whenever the opportunity offers. The fact that some confusion of public opinion exists is shown by the tendency to make conflicting demands, demands which are contradictory to the point of being mutually exclusive. For example, we have the cry go up for a curb on inflation, and at the same time a demand for greater public expenditure. We get a demand for less taxation on the one hand and at the

same time a cry for increased social benefit payments on the other. We get a demand for greater individual freedom and at the same time a demand for more government control. In the parliamentary committee on combines legislation we had a demand for more freedom of individual enterprise and at the same time a demand for less competition. It is obvious that we cannot have one without the other. Competition is the price that we must be prepared to pay for freedom of enterprise.

Parliament is a deliberative body, and we refer to it with pride as the highest court in the land. We should be very careful not to reduce parliament to the level of a sounding board. This is one place to which the people should be able to look with confidence that they will find the truth, and it is our job to see that they get the truth and the whole truth. To do that we must separate facts from opinions, suppositions and speculations, and see that we place the proper labels on each so the people will be able to give to each one its proper value and thus be able to perform their democratic function.

The present combines legislation makes it illegal for any person or corporation to make an agreement with another person or corporation for the purpose of controlling prices and eliminating competition. It does not, however, in its present form prevent any person or corporation from controlling prices and eliminating competition by means of a series of vertical agreements between the manufacturer and the distributor. The system whereby a dealer agrees to sell an article at a price fixed by the manufacturer is known as resale price maintenance. Some manufacturers have used this device to control prices and evade present legislation. The only solution to this problem is to strengthen the present law by the abolition of price maintenance.

Unfortunately we cannot discuss price maintenance without getting involved in some discussion of prices in general, price levels, profit margins, mark-ups, the cost of living, inflation and other related topics which are of intense public interest. But we should never lose sight of the fact that interesting though these topics are they are nevertheless only secondary considerations. The real purpose of this legislation is to prevent a person or corporation from evading the present law. The real purpose of this legislation is not to combat inflation, not to reduce the cost of living, but to prevent corporations from controlling prices and eliminating competition. And the primary question before this house is simply, shall we retain resale price maintenance and allow corporations to continue evading the law, or shall we abolish price maintenance and prevent them from doing so?

The position of the government on this matter is indicated by the stand they have taken on government price control in general. In the words of one of the witnesses, this government has resolutely set its face against the imposition of over-all government price control. It would be very inconsistent for the government to take that stand with regard to government control of prices and at the same time sanction a system of private control. Furthermore, the government made a commitment to the people of this nation to abolish price maintenance. When that commitment became known a great deal of organized opposition developed. The government decided to set up a committee so the opponents of this legislation would be afforded an opportunity to state their case in public and to make useful suggestions. I for one am grateful to the government for setting up this committee. Personally I think it was a very wise move; otherwise thousands of simple people like myself would never have had an opportunity of understanding the nature of this problem.

When the committee was set up, the government were charged with retreating from their position, of stalling and of foregoing their commitments. I must confess, Mr. Speaker, that I was very much surprised to find that the same people who accused the government of stalling, turned around in committee and accused them of steamrolling, of railroading the legislation, of making snap decisions without sufficient evidence and without sufficient study.

Although the committee was specifically charged with a study of the recommendations contained in the MacQuarrie report, it should be borne in mind that this was not the only evidence available to the government and to the committee on this subject. A wealth of information was available from many sources. To mention a few there was the royal commission on prices known as the Curtis report; the Lloyd Jacob report of Britain; the British white paper; the debate in the British House of Commons last June; the studies and reports of various United States federal and state organizations; the royal commission on the cost of living in Newfoundland, 1950, and the information and evidence arising from investigations and prosecutions of the federal combines commission.

In general all of this evidence, while admitting that price maintenance does afford some advantages, tends to the general conclusion that the disadvantages greatly outweigh the

advantages, and that price maintenance should be abolished in the public interest.

In addition to all this evidence there were the large number of briefs which were presented to the committee, and which in many cases were supplemented by verbal evidence from witnesses who appeared before the committee. These witnesses were sharply divided into two main groups. The masses of the people as represented generally by the great labour organizations, the large consumer organizations and the co-operative unions, submitted briefs requesting that price maintenance be abolished. With the exception of a few large retail firms, manufacturers' organizations and associations of retailers and wholesalers submitted briefs requesting that price maintenance be retained.

The merits and demerits of price maintenance in itself and its effect on the cost of living are, as I have already said, secondary considerations and important only in so far as they relate to the primary question as to whether any person or corporation should be permitted to use this device to control prices and eliminate competition. However, since so much discussion has revolved around the topic of price maintenance in itself, perhaps it would be worth-while to list a few of the main arguments presented for and against this practice. Those opposed to the practice of price maintenance claim that it should be abolished because (1) it is a system of private law privately enforced without reference to any court of law; (2) it eliminates competition in distribution; (3) it fosters competition between manufacturers for the goodwill of retailers so that manufacturers outbid each other, offering higher margins, higher mark-ups and greater profits to the retailer and hence higher and higher prices; (4) it prevents the more efficient retailer from passing on the benefits of his efficiency to the consumer in the form of lower prices; (5) it multiplies retail outlets far beyond what is necessary and (6) resale price maintenance has increased greatly during the past 20 years and is still increasing at an alarming rate.

Those who wish to retain resale price maintenance claim that it should be retained because (1) it protects the small dealer from the predatory price cutting practices of larger and financially stronger firms; (2) it equalizes prices from one end of the country to the other; (3) it keeps prices lower because nationally advertised products are easier to sell and therefore require lower mark-ups; (4) it protects the rights of manufacturers who had built up a national demand for their products; (5) it protects the prestige enjoyed by branded products; (6) it stabilizes production and therefore the nation's economy; and (7) if resale price maintenance were abolished many smaller dealers would be forced out of business.

The bulk of the evidence given in support of the retention of resale price maintenance consisted mainly of opinions, suppositions and fears largely based on lack of faith in their fellow man. What few facts did emerge tended to refute their claims.

We are all sympathetic to the little man, whether he is a manufacturer, jobber or retailer. The evidence presented to the committee showed that the efficiency of a business did not increase with its size. Though larger firms secured larger discounts by means of mass buying, yet that advantage was largely offset by the lower overhead and lower operating costs of the little man; and as the hon. member for Coast-Capilano (Mr. Sinclair) has pointed out, also because the little man was largely exempt from corporation taxes. As a result small firms have been able to stay in business and compete with chain stores, large department stores and corporations. The prediction of casualties amongst dealers is not borne out by the evidence, nor by the experience in the grocery trade where competition is fierce and where less than 1 per cent of the goods sold is protected by price maintenance. It is possible that a number of firms will go out of business, because in many cases the number of retail outlets is far greater than the total turnover warrants. The tendency of resale price maintenance is to raise prices to a level where all can stay in business, regardless of the volume of the turnover and regardless of the efficiency of the individual firm.

A great deal of thought was also given to the practice of price cutting known as the loss leader. There is reason to believe that once the background of fixed prices has been removed, the loss leader will lose a great deal of its effectiveness. It was found that this practice assumed so many forms it was practically impossible of definition, and the general conclusion reached was that section 498A of the Criminal Code afforded as much protection as any legislation that can be devised until the problem has assumed more definite and concrete proportions.

The evidence also showed that, other factors being equal or comparable—factors such as geography, wealth, purchasing power, and so on—prices tended to be lower in those areas where price maintenance had been abolished. Last evening the minister pointed out the experience in the United States, where comparisons were possible between four states with price maintenance and four comparable states where price maintenance had been abolished.

In Canada the only comparison possible is in the province of Newfoundland. We Newfoundlanders can speak from personal experience, because we had the doubtful benefit of price maintenance thrust upon us almost overnight. Before confederation price maintenance was not practised in Newfoundland, and its full and sudden impact became apparent almost immediately after confederation. The hon. member for Coast-Capilano has referred to the example of the No. 6 dry cell ignition battery which is an important item for our fishermen. The reference to this item is contained in chapter 10 of the report of the royal commission on the cost of living in Newfoundland, 1950, and was brought to the attention of the committee in a brief submitted by the Newfoundland co-operative union.

As the hon. member for Coast-Capilano has said, before confederation when there was no price maintenance, a No. 6 dry cell ignition battery—

Mr. Browne (St. John's West): May I ask the hon. member a question? Is he quoting now from the royal commission report—

Mr. Carter: Yes, Mr. Speaker.

Mr. Browne (St. John's West): —or from a letter from the secretary of the co-operative union?

Mr. Carter: I am quoting now from chapter 10 of the report of the royal commission on the cost of living in Newfoundland.

Mr. Browne (St. John's West): You have not that in your hand now.

Mr. Carter: On page 78 of the report of the royal commission it is shown that the landed cost of these dry cell batteries was 46½ cents, and the retail price was 60 cents. After confederation, when resale price maintenance came into effect, the landed cost went up only 1 cent to 47½ cents, but the retail price jumped to 80 cents. Even more striking is the example of the paint brushes. These paint brushes were imported from Canada before confederation and therefore had a tariff placed on them. After confederation there was no duty, so that landed cost was much lower.

Mr. Coldwell: Does the hon. member know the amount of the duty?

Mr. Carter: I do not know, but I do not think it has any relevance to this argument. Before confederation, and without price maintenance, the landed cost of these paint brushes—the quality being teal No. 2—was 68⅓ cents, and the retail price was 95 cents. After confederation, because there was no duty, the landed cost fell to 53⅓ cents, but because of resale price maintenance the retail price jumped up to $1.10.

Mr. Fraser: It was sales tax that jumped that up.

Mr. Fleming: And excise tax.

Mr. Garson: Overnight?

Mr. Fleming: Yes. Once you got the election over, you brought taxes into effect on July 1, 1949.

Mr. Carter: The royal commission points out on page 78 of its report:

> In several hardware lines in which there is resale price maintenance, the setting of prices has thus required dealers to take mark-ups definitely higher than those that had prevailed under more open competition. The dealers, doubtless, often had no serious objection to doing so.

On page 79 of the commission report, I find this:

> Resale price maintenance since confederation has had a marked effect. It has brought many prices in line with national prices. At the same time, it has tended to place prices of drugs, some women's and other clothing, and many hardware and electrical goods above the levels they might have reached if no resale prices had been suggested after confederation.

The witnesses who appeared before the committee laid a great deal of stress on the prestige enjoyed by branded products, which they maintained should be protected. The extent to which the consumer is forced to pay for the prestige of branded products is abundantly illustrated by the evidence concerning aspirin tablets, to which the hon. member for Coast-Capilano referred earlier. Bayer's aspirin tablets retail at 79 cents for 100, while unbranded tablets of the same chemical formula and conforming in every way with the requirements of the Food and Drugs Act retail at only 19 cents per 100 tablets. Naturally, it pays the druggist well to push the sale of Bayer's aspirin in preference to the unbranded tablet.

In conclusion, Mr. Speaker, I should like to make one brief reference to a matter which concerned me, not only as a member of the committee but as a new Canadian. It relates to the number of witnesses representing manufacturers, wholesalers and retailers, who expressed fear, suspicion and mistrust in their fellow members in the organizations which they represented. If their fears were genuine, we are asked to believe that our leading businessmen, the managers of our most prominent firms, are extremely greedy and selfish individuals who are just waiting for an opportunity to resort to the law of the jungle, and who will stop at nothing to eliminate their weaker and less fortunate competitors. That there

is some greed and selfishness we must admit. Otherwise there would be no need for any combines legislation at all. But I find it extremely difficult to believe that the majority of our businessmen are very different from the rest of us in that respect. It is obvious that we cannot make people honest, nor can we remove greed and selfishness, simply by passing a law. It is a moral problem rather than a legal or economic problem, and while legislation is necessary, a more positive approach is required.

The evidence that a more positive approach is possible and that a positive answer to this problem exists is contained in a book which I have lately read and which is entitled "World Rebuilt" by Peter Howard. This book is a record of events that are taking place at the present time and which are destined to change the course of history. I was impressed with the wealth of evidence that industry, business and management all over the free world are awakening to a new sense of morality and of responsibility for the nation and for the democratic way of life. "The old order changeth, yielding place to new." Whether we are prepared to admit it or not, a new order is coming into existence. A new world is being built, and the slogan "business as usual" has long been out of date.

Stalin, in a lecture to his communist leaders at Moscow, is reported to have said: If capitalism could adapt its production not to the getting of maximum profits but to the systematic improvement of the masses of the people, then there would be no crisis; but then capitalism would not be capitalism.

The stories of such eminent and internationally famous businessmen as Dr. Heinrich Kost, managing director of the Rheinprensen Company and chairman of the German coal board; of Robert Tilge, French industrialist and secretary of the employers federation of northern France; of Charles Redelé, large producer of foodstuffs in Holland; and many others as related by Peter Howard, all testify to the fact that capitalism is being gripped by a much greater idea than the mere accumulation of profits and that in industry, business, management and labour a new type of businessman is emerging to match the new era.

I strongly recommend this book to every member of parliament, to every businessman and to every labour leader in Canada if only for the purpose of reading the thrilling story of the National Airlines in the United States. This company was on the point of being dismembered and broken up because of bad relations between management and pilots. At that point the president, George Baker, began to apply this new thinking and this new positive approach to the problem, with the amazing result that within the space of a few months his balance sheet changed from a deficit to a profit of half a million dollars per month. I think that amply illustrates the soundness of this positive approach to business and management problems.

In a statement made in Washington, D.C., on May 1, 1951, Mr. D. W. Rentzel. chairman of the civil aeronautics board, said:

> To those familiar with the long history of bitter and acrimonious dispute, the transformation in the attitude of the parties from one of suspicion and hostility to an attitude of mutual co-operation and trust has been little short of miraculous.

That statement which I have quoted referred to the National Airlines.

We Canadians are richly blessed in that we have inherited the most favoured nation on the face of the earth. To a large extent the fate of this nation and of this people rests in the hands of our businessmen. Underproduction, through the selfish application of the economics of scarcity, can easily push our economy over the border from inflation to disastrous deflation.

Price determination is not a matter of government control nor of private law. It is simply a matter of manufacturer, wholesaler and retailer each honestly facing the facts and making a moral decision based on what is right having due regard for the interests of the consumer and the welfare of the nation, as well as for his own individual interest.

During world war II Canadian business astonished the world with its amazing achievements. I feel confident, Mr. Speaker, that when they realize the full extent of their national responsibilities Canadian businessmen will again prove equal to this even greater challenge which is the mark of our time.

Mr. Browne (St. John's West): I should like to ask the hon. member a question.

Mr. Fournier (Hull): Just one?

Mr. Browne (St. John's West): Will the hon. member tell me how much the cost of living went down as a result of the royal commission in Newfoundland on the cost of living?

Mr. Carter: One of the reasons the cost of living did not go down in Newfoundland, as we had expected, was that the practice of resale price maintenance offset the advantages which we expected to derive from the removal of duty.

Mr. Fleming: It did not offset the effect of the dominion government's taxes, either.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, after that last remark I think I should start out by saying that now I have heard everything. The hon. member for Burin-Burgeo (Mr. Carter) who has just taken his seat stated that all consumers were in favour of this legislation, and by listing the various people who were against it he made the implication that all business was against this legislation. I think I should not go on with the remarks I propose to make without drawing attention to this statement because it is so utterly opposed to what is actually the case. We sat in this committee for some time, and we heard businessmen both for and against. We had from businessmen briefs both for and against the legislation. We had briefs—most of them from the consumer angle, I grant you—either for or partly for the legislation. I would not say they were entirely in favour of the legislation.

I should like to start, Mr. Speaker, by trying to bring this question out of the realm of academic debate and down to a practical position, and to ask bluntly these questions: Who will benefit by this legislation? Who will suffer from it? Why is it being introduced? I do not think for a moment that anyone is under any misapprehension as to who will benefit. Certainly those merchandisers who are manufacturers of private brands, who are in the fortunate position of being at one and the same time the manufacturer and their own retailer, stand to benefit from this legislation.

Who will suffer? Well, the small businessman will suffer, and the consumer will suffer. I have been interested to hear the debate which has taken place thus far because at some place in almost every speech someone has said, "We love the small businessman, but—". I do not think the small businessman is under any misapprehension about the legislation at all. I do think that a great many consumers are misled.

I intend to deal with that at a later point, but I should like to go on now and ask this question: Why is this legislation being introduced? Is it being introduced to bring down the cost of living? I do not believe it is, because all the government members have been very careful to say that it will have no effect on the cost of living. The Prime Minister (Mr. St. Laurent) himself early in the session said he did not expect that the introduction of this legislation would have any effect whatever on the cost of living.

I personally went to some pains to do a piece of research on this point. I took the cost of living index items and broke them down into those which were price controlled and those which were not price controlled. And I might say that a large part of those which are under a resale price maintenance policy are under a policy dictated by a government, either federal or provincial. Some of the other items are under other forms of price maintenance, such as transportation and communications. When you break it all down, it comes out to something like this: The food items make up 31 per cent of the cost of living index. Of that total, 1/15 of 1 per cent are under a rigid price maintenance policy. Then rentals make up 19 per cent; fuel and light, 6 per cent; clothing, 12 per cent; home furnishings, 9 per cent and miscellaneous, 23 per cent. When you take the various weights—I hope I have done it correctly—and take the number of items which are maintained and take the percentage that is of the total weight, it finally comes down to 6·3 per cent of the total.

As I said before, some of the items which are maintained will not be changed anyway. You will not change railway fares; you will not change doctors' fees; you will not change telephone bills; you will not change many other things. You will not change transportation costs, because these are things that cannot be changed by this legislation. Therefore if we took a wildly optimistic view of what this might do to the cost of living, and said that on the over-all basis the whole cost of living might drop on these items by 5 per cent, then we would have ·31 per cent of the cost of living.

I think I have been well repaid for the work I did on this, because it has shown me how foolish is any argument which would try to support the belief that this will have any effect at all on the cost of living. Yet I believe many consumers in this country are under the impression, rightly or wrongly, that this legislation is being brought down to remedy in some way the situation in which we find ourselves today because of the greatly increased cost of living. So perhaps the answer to the question as to why this legislation is being introduced is this: while it might not bring down the cost of living, it may very well be that it has been brought in as an answer to the pressure from an inflation-weary country. Undoubtedly this pressure has prompted the government to do something. Far from adopting a course which might have had some effect on combines legislation, this government has chosen to hide behind a smokescreen of resale price maintenance, to attempt by eliminating this practice to demonstrate to the people of Canada that it has taken action, at the same time pleasing those who have monopolistic tendencies by removing one of the impediments to the pursuit of certain trade practices.

This legislation is not going to help the consumer. It is not going to do a thing for the pensioners who are living on the same pensions but with a greatly increased cost of living. It is not going to help the elderly people one bit. It is not going to be of any service at all to the homemaker. The opening paragraph of the brief presented to the committee by the Canadian Congress of Labour, as it is set out at page 73 of the proceedings of the committee, states:

> The congress does not believe that either the Combines Investigation Act (with the related provisions of the Criminal Code) or the prohibition of resale price maintenance, will have any marked effect on the cost of living.

The minister in his remarks last night made reference to suggested prices. I take it I am correct in believing that he meant he had no personal axe to grind against those who were suggesting resale prices. I think there is a great deal of doubt in the minds of committee members and others as to what constitutes a maintained price and what constitutes a suggested price. We talked about this to some extent in the committee. Mr. McGregor had some things to say in this connection at page 614 of the evidence. I questioned him as follows:

> To what extent would you think control of suggested resale prices might go? To the extent of placing a price on a product? A. It might be, yes.
>
> Q. Would you think it would not be illegal under the proposed legislation to put a price on a label or a bottle or a shirt? A. No, under this particular proposal it does not seem that it would. This bill does not go the whole hog but it may be that it would prevent the enforced price. There is still a lot going on in suggested prices where really competition is not working and you might later, in a few years hence, find it is doing damage and have to deal with it.
>
> Q. You say that the next step may be the abolition of the suggested price? A. It may be that a situation will develop where competition is not working. Perhaps not, and if not I think it should be left free. As long as a man is free and does not have to adopt the suggestion of the manufacturer—

You will notice the witness says that a man does not have to adopt the suggestion of the manufacturer. That is a rather foolish statement because if it is not enforced, then he certainly does not have to adopt it. The answer continues:

> As long as a man is free and does not have to adopt the suggestion of the manufacturer, then I think probably it is better to have the form of the bill as it is here.

I submit here, as I did in the committee, that the number of strictly maintained lines is negligible. Most are suggested and preserved as such as long as business is continuing on an even tenor. This brings up two possibilities. The first is that this legislation will open the door for the destruction of business by encouraging an all-out attack on famous brands, those items which are maintained. We have seen what happens when a price war is started in connection with one or two articles. The whole business of the community is disrupted, on both maintained and non-maintained lines. If that does not happen, then there is the possibility that an even more sinister intent is present in the enforcement of this legislation and such regulations as may be made thereunder than appears at the moment.

I should like to refer for a few minutes to the evidence presented in the committee. First, I should like to call your attention to a phrase which occurs in the speech from the throne, "without impairing our free institutions". I think we all agree that freedom is something not easily defined. We have always claimed that one of the greatest products of freedom is our courts of justice. There is a saying abroad, I do not know how true it is in actual practice, that a man is innocent until he is proved guilty. This inquiry was in reverse. A charge was levelled against these people who operated, either at the manufacturing or retailing level, under a system of resale price maintenance. In effect the government said, "You are guilty; you prove that you are innocent". Far from the government proving that they were guilty, far from the government proving that the results of price maintenance worked to the disadvantage of the consumer, they simply made a bald statement.

I would remind hon. members that in the examination that followed the presentation of the brief by the Canadian Congress of Labour the witness stated that if they could be convinced that resale price maintenance worked to the advantage rather than the disadvantage of the consumer, they would support it. They were not convinced that it worked to the disadvantage of the consumer.

In the brief presented by the Trades and Labour Congress they said they were not quite satisfied that a case had been made out against resale price maintenance. In spite of that, statements are made repeatedly in this house that all consumers are against resale price maintenance. The fact is that the two largest groups representing consumers have both said they have had no proof that resale price maintenance is not to the advantage of the consumer.

Statement after statement was made and then the accused, if we can use that term for the businessman of Canada, was told to defend himself. When he proceeded to do so he was told that he had given no proof, that he had presented no figures. He then said he would bring figures. I refer hon. members to pages 489, 490 and 491 of the proceedings of the committee. While they

do not set out the results of an exhaustive study, hon. members will find there a sample of the type of thing that could be and was produced. The gentleman who produced those figures stated quite bluntly that some were in favour of his argument and some were opposed to it. He took them as they came on a selected list of articles and presented what he had. That was the kind of evidence we should have had in a more exhaustive form from other people engaged in business. At times the committee proceedings took on the complexion of a criminal trial instead of an inquiry. I deplored the manner in which expert witnesses were abused and I might say almost insulted at times.

For a few minutes I should like to talk about the small businessman. I think of him first as being a distributor of needed goods. Within the last six or seven years we faced a situation in this country where many of the articles sorely needed by the consumer were in very short supply. Some articles were rationed, while others were distributed under a sort of voluntary rationing system. In some cases the manufacturer and the first distributor were called upon by the regulations of the wartime prices and trade board to distribute the product which was in short supply on a *pro rata* basis to their customers on the basis of the historical pattern of supply which showed on their books. It frequently happened that even at the wholesale level some fairly good-sized merchants got only half a case of certain tinned goods. That was particularly true of salmon, which was in very short supply. A case would go out to the retailer, who knew that he had to distribute it to all his customers. He had to use his own judgment as to who was going to get the goods. So he distributed his goods according to a similar historical pattern of trade. He knew that certain customers habitually bought certain articles, so he saved some for them. The same was true of other lines, such as soaps.

I am sure that there is not a housewife in this country who does not remember when she did one of two things. Either she stood in line for a long time in a store where she had heard there was a supply of goods and where the goods were distributed on an impersonal basis of first come first served. Maybe she got some and maybe she did not. Or if she had been in the habit of dealing with one store she knew she could depend on that storekeeper to see that she got her fair share.

Some peculiar statements have been made during the course of this debate. I look back on this pattern of distribution with which I was very familiar, and I find it very difficult to make it fit in with some of the statements that have been made. From my knowledge of the small businessman I find it difficult to understand how the minister could say that after all the small businessman does not pay any corporation tax. I know he does not pay any corporation tax. He pays his personal income tax at the personal rate on the total amount of money his business makes, whether he withdraws it or whether he does not, and he pays even on the profit he makes which he leaves in his business for expansion or for the purchase of new equipment. He does not benefit by the system which is in effect for corporations whereby he is permitted to withdraw his salary and then pay at the lower rate of corporation tax for small incorporated businesses. I am sure the Minister of Finance (Mr. Abbott) will bear me out in that. I believe the Minister of Justice (Mr. Garson) was a little mistaken when he made that remark, and I am sure if he would investigate it he would wish to withdraw it.

Several things have not yet been touched in the course of this debate. I should like to build up for the house a picture of the type of thing that is likely to happen if the government persists in passing this legislation. We will undoubtedly have a raid on name brands. We will have a race for the lowest price. In the race for the lowest price, which will probably see keen competition between large outlets that can well afford it, the poor little fellow on the same street is going to see the crowds just running past his door, not in but past. The next step will be a demand on the manufacturer to supply a product to meet a price. By that I mean this. We will suppose that a dealer has a brand name shirt which he sells for $5. When this competition develops his competitor will start to sell it for $4.75. Then he will sell it for $4.50, and finally a demand will be made on the manufacturer for a shirt which will retail for $3.99.

Who is going to say whether two inches less material has been put into that shirt, whether a lower grade of button has been used and whether—which may be a very serious thing when you consider the wearing qualities of a garment—a lower grade of thread has been used. During the war there were many instances where garments literally fell apart because of the low grade of thread which was available. These low grades may be used from choice if we are going to get into an all-out price-cutting war. Therefore we are faced with deterioration of quality, and it is serious matter. The extra coat of enamel on the saucepan disappears, the extra inch of material in the garment disappears, the extra ounce of vegetables in the soup disappears, all to meet a demand for an article at a price which will be competitive with that of the price cutter.

There are a great many people in this country who are entirely dependent upon the small retailer for many things, for service, credit, advice and even for a personal interest in their families. They depend upon him to keep them in food when they are out of work for a while, and that is a serious thing today when this country is witnessing the largest unemployment it has known for many years. The little fellow supports these people, and sometimes he never collects from them. He is the backbone of our economy; yet he was accused before the committee. Even his representative, the one organization which is closest to the small independent retailer, was refused a hearing before the committee. I know perfectly well the committee took the stand that the parent body, which represents all retailers in the Dominion of Canada, had had a hearing; but the policy adopted by the committee was broken when they agreed to hear other members of that parent body. Nevertheless they refused to hear the retail merchants association of Canada which represents several thousands of small independent retailers right across the country.

Mr. Fraser: Shame.

Mrs. Fairclough: It reminds me of the situation which existed in the dark days. When a woman was accused of being a witch they took her out and threw her in the pond. If she swam she was a witch and they took her out and burned her. If she sank to the bottom she was innocent but of course by then she was drowned, so they just brushed their hands, walked home and said: "Well, we did our duty to the community; too bad, but we did our duty." It seems to me that the small retailer is in exactly that position today. He is being thrown into the pond. If he is a wizard and manages to crawl out then he will be suspect under this new legislation. If he sinks and drowns, too bad, but we have done our duty.

I do not want to leave the impression that I do not approve of some of these newer streamlined operations, because I think they have made a great contribution to distribution in Canada. I believe they have made a great contribution to our present conditions of living, but that does not mean they should entirely replace the independent retailer who to my mind is the very backbone of the Canadian economy.

I do not want my time to run out before I say a few words about the consumer. While we had, as I said before, some briefs for, some briefs against and some that were neutral, there was nothing neutral about the telegrams and letters that I received. I rather wish some members could have walked into my office a few days ago when these telegrams started to come. It was about as bad as the snowstorm we are having today. I made a summary of what I received and there are one or two I should like to read. From British Columbia there were 75, from Alberta 77, from Saskatchewan 14, from Manitoba 88, from Ontario 40, from Quebec 246, and from Nova Scotia 15. There were also another 5 which were letters and not telegrams. I received a total of 510 communications from women all signed, the majority of them with addresses attached. I also received a great number from retailers. I did not count them, but the ones to which I have referred were all from women from coast to coast. There were a few from the city of Montreal which were all the same message, but most were entirely different and quite apparently written individually by these women. Hon. members will understand in a moment why I have chosen this one to read first. It is from Russell, Manitoba, and reads as follows:

Believe me, Mrs. Fairclough, we are definitely against the government's bill restricting price maintenance at retail level. Please convey our stand to Stuart Garson. Thanks.

It is all yours.

Mr. Casselman: That is his home town.

Mr. Abbott: Merry Christmas.

Mrs. Fairclough: I have one from Magog, Quebec.

Mr. Abbott: A good part of the country.

Mrs. Fairclough: It reads as follows:

Consumers association views on price maintenance not truly representative of Canadian women. Urge you to continue battle against unwise legislation.

I have another one from Magog. This time it is from the board of trade. I am saying it is from the board because it is different from the others. They all have women's names on them. It reads:

Price maintenance brief by Canadian association of consumers must have been by big city person. In small towns we feel our local shops driven out of business and our shopping curtailed.

I have another one from Kelowna, British Columbia, which reads:

As a housewife I feel price maintenance should be upheld because it maintains orderly buying and quality and definite spending power.

The next one is from Montreal, which reads:

Not wish of women that quality guaranteeing price maintenance be abolished.

That one, Mr. Speaker, I think is a very well worded telegram: "quality guaranteeing price maintenance." I think we might all do well to let that sink in. I have not time to read all of these and some of the letters

that would bear hearing, but I should like to read just one paragraph from a telegram received from the Vancouver manager of the pharmaceutical association of British Columbia. It reads:

> Young business men launched by rehabilitation and ex-service men's grants will not appreciate being forced out of business by effort of government to hoodwink the public that present price legislation can influence cost of living figures.

I thought I would have plenty of time, Mr. Speaker, to get through with what I would like to say, but I see that I am not going to have half enough time; therefore I shall have to skip ahead and make a few comments. I would like to suggest that every hon. member read this booklet which I am sure they have received entitled "One Hundred and Fifty Million Reasons for Fair Trade," and in particular page 3, the article entitled "Dedication". I wish I could put this on the record, but I have not time to read it. It is well worth anyone's reading. There is a good deal of information in the whole book which is well worth taking into consideration. I should like to read two items to which this gentleman felt attention should be drawn, two lessons which he claims ought to be drawn from experience:

> 1. Any economic force as powerful as brand names must be harnessed for the good of the greatest number.
>
> 2. To abuse this economic power is like playing with matches, and may result in burning the house down.

I contend that his legislation is a blind, Mr. Speaker. It is a shield to hide the ugly fact that this government's taxation and credit restriction policies have brought merchandising to a standstill in many lines, and have resulted in the largest number of unemployed for many years. On December 13 an article appeared in a Toronto paper headed "Unemployment increases sharply in many industries." It gave the figure for the province of Ontario as 77,837. In the ten largest cities in Canada there is a total unemployment of 82,400. I do not know how many times that figure of unemployment is across the country as a whole. Resale price maintenance, far from deserving the criticism which has been levelled at it, is the only anti-inflationary policy at work in Canada today, and I deplore the lack of information and lack of understanding which prompts the criticism.

I maintain, Mr. Speaker, that we have gone at this whole thing in much too fierce a manner. We have rushed through something which merited a great deal more consideration. We have been led up the primrose path by theorists and others with no practical knowledge of the workings of distribution in this country, and who say such and such a thing takes place and something else happens. True, it is all very well in theory, but the little businessmen on the corners, many of whom cannot add very well, can tell you much more about what actually happens in the movement of goods in a certain specific set of circumstances.

I have an open letter which came to me today, and I presume some other hon. members have it. I am not going to take time to read the whole thing. It is from a woman in Toronto who claims to have worked for one of the companies that presented a brief, but was not called upon by the committee to explain or amplify the brief or to answer questions. I should like to read just one paragraph of her letter. It says:

> I really can't understand why this legislation—which will be detrimental to Canadians in all walks of life—is being rushed through at such a terrific pace, why groups opposing the legislation are being "muzzled" and why it can't be investigated properly—not by a group of lawyers and economists who have never even sold a can of beans—but by those persons who understand retail operations, profit margins, retailers' costs, etc.

We have had too little time, Mr. Speaker; too little time for the preparation of briefs by these companies, too little time for the applications to be heard, too little time for the consideration of evidence, and too little time for the calling of additional witnesses which were requested by the committee. I feel that the government has been sadly misguided in presenting this legislation. It is like burning down the house to try to catch a mouse.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, I did not have the pleasure of being a member of the committee to study this subject, but I have had some business experience, and it is with that thought in mind that I wish to take just a few moments of the time of this house. I cannot help but sum up the various stands taken by the four different parties that have taken part in this debate. I quite understand the Liberal position because they have always taken the attitude that it was necessary to do the greatest amount of good for the greatest number of people. In this particular topic we are supported by the C.C.F.—

Mr. Fleming: The kiss of death.

Mr. Hosking: —who generally support any platform that will get them the largest amount of popularity from the greatest number of people.

Mr. Hodgson: Are you not suspicious?

Mr. Hosking: We are opposed by the Tories, who, as everyone knows, are interested only in benefiting one, and only one, faction of the people, namely big business.

Mr. Fleming: This measure will benefit big business, and it will kill little business.

Mr. Hosking: In this particular case they are speaking in behalf of big business.

Mr. Cardiff: What do you call Eaton's?

Mr. Hosking: After I received a few telegrams from various business people in my riding I spent some time making inquiries to find out whether any of the small shopkeepers who operate their own individual businesses on the corners of my towns and cities had made any representations to have price maintenance brought into effect. I could not find an instance where one of the small shopkeepers had suggested that they wanted or had instigated price maintenance. Thus I must assume that although at the present time they are under the operation of price maintenance, it was not instigated at their request; and since it was not instigated at their request then I started to figure out who wants this thing. After listening to the very explicit and enlightening address by the member for Eglinton (Mr. Fleming), I decided that the chain stores could buy a little cheaper in larger volume. If they could buy cheaper in larger volume and sell at maintained prices, they must make a much larger profit. After ascertaining that, I came to the conclusion that this price maintenance was something that was desired by big business.

For the moment I shall be honest and fair, and say that the small shopkeeper enjoys some benefits from this system; but what will happen to him eventually we are not prepared to say. Having had this brought to my attention, I did some research on it. I should like to give the house three situations showing various effects of taxes which, in some respects, answer the point raised by the hon. member for Hamilton West (Mrs. Fairclough). This situation is the result of the necessity for this country to defend itself. We on this side of the house do not like it, but this taxation is something which we have to endure. I should like to explain to the house just what the effects of taxation are on the small businessman and the large businessman who is incorporated. I do not say these arguments will convince the opposition, because they are not easy to convince when they do not want to be convinced. But perhaps my arguments will explain why the Minister of Justice asked the MacQuarrie committee to present a special report, and why this legislation was introduced at this session.

Shortly after the last budget it became apparent that there was a change in the operation of the retail trade. Price fixation became rampant. It was necessary that something be done to correct this. The figures I shall present will prove beyond any doubt that this is the case. As an example, I have taken the case of a shopkeeper, married and with two children, who had a net profit—including interest from his investment and the results of his labour—of $10,000. This gentleman who owns his own business will pay income taxes amounting to $1,950. He has a net return for his labour of $8,050. Let us assume that a stockholder in an incorporated chain store had no other source of income, but operated a chain store next door to this private shopkeeper. What would he have to get in net profit, after wages and everything else had been paid, in order to receive as a dividend the same amount of money the small shopkeeper received? We find that for him to receive the same amount of net income —the individual who operates his own store is not incorporated—he would have to receive $20,100 in profits. For the operation of this country and for the defence of this country, this chain store stockholder would pay $12,050 in income taxes as against the $1,950 that the small shopkeeper would pay. But that is not the usual situation in these chain stores.

The person who has money invested in these incorporated chain stores generally is not the type of man who just invests his money and sits idly by living on the interest. In most cases, fortunately for the Dominion of Canada, he happens to be an industrious individual. Let us assume he could work and earn as much as the private shopkeeper, so that he has a private income of $10,000 a year. He has money invested in the chain store which has to operate beside the private small shopkeeper. Under those conditions just what would this chain store have to produce in net profit, after paying wages, taxes and all the expenses of running the store, in order to return to the individual $8,050? We find that he has to get from that chain store $30,000 in profit in order to receive the same amount of money the small shopkeeper received for working in his store. In other words, through necessity—and I hope the day will come when this government will not be forced into a position where it has to tax at this most inhuman rate—

Mr. Fleming: They do not have to do so now.

Mr. Hosking: In this party we happen to believe in paying our debts. There are certain people who do not want to take the responsibility of paying for the war, but we happen to be in a position where we think it is wise to pay off that debt.

Mr. Fleming: Why not budget for it, then?

Mr. Hosking: We budgeted for contingencies, and because our country's financial position is a little better than we expected we are spending the extra money which has come to us in the proper way.

Mr. Knowles: Is an election a contingency?

Mr. Hosking: The stockholder who has money invested in this chain store has to pay $21,950 in taxes in order to receive the same amount of money as the small shopkeeper who pays $1,950. It is for that reason we are bringing in this legislation. There is only one reason for it, and it was necessary that it be introduced at this time.

I should like to make a few other observations. The opposition have always taken the stand that if they could get the government to do something bad they could defeat us. During the time I have been in this house I have watched the Tories trying to put us in a position where we would do something bad, and then they would be able to defeat us at the next election. It is for that reason we are having this stall proposition. It was evident all the way through the committee. Every member of this house knew the government wanted to get this bill into the house and passed. The Tories thought if they could hold up this measure, without taking sides, they would force us to do something bad. Fortunately our party is determined that we shall sit as long as the Tories wish; we shall give them every opportunity to stall, even until Christmas day, but when they are finished we shall give the people of this country good government. The Tories can stall as long as they wish, but we shall still be here to give the people of this country good government when the Tories have finished stalling.

Having said that, I should like to make one other observation.

Mr. Fleming: Do not stall.

Mr. Hosking: I shall not be speaking for forty minutes, you can be sure of that. Last spring I listened until I was tired to the Tories complaining about our credit restrictions. I listened to them trying to prevent us from giving good legislation until I was sick. It was most repulsive. We wanted to go ahead and do something about the cost of living. Let any person in that Tory government which sticks up for big business—

Mr. Hees: Tory government?

Mr. Hosking:—Tory opposition, say that they were not on the side of big business.

Mr. Fleming: You are for big business. You are trying to kill small business by means of this bill.

Mr. Speaker: Order.

Mr. Hosking: I happen to be in a position to say that this legislation on credit restrictions came close to home. I know something about it, and I can tell hon. members of the opposition this as to the position we took last spring and against which they talked for hours and hours. We had to listen to it, the same as we do now, when they tried to put us in the position—

An hon. Member: Who is talking now?

Mr. Speaker: Order.

Mr. Hosking: —of making it appear that we would not do anything for the majority of the people or that we would not make the small people's lot better.

Mr. Fleming: Such as Eaton's and the chains.

Mr. Hosking: We eventually got the legislation through, and I would defy anybody in this house to say that since our credit restrictions went through, they cannot buy an automobile today for $100 to $400 less than they could before March 1. The same is true of washing machines and refrigerators.

Mr. Fleming: That must be on the black market.

Mr. Hosking: We have nothing to do with that. Your policy of price controls will produce that effect. Their hindering tactics were in operation then just as they are now. They said: Let us put the government into the position where they will not pass good legislation; then we will get the benefit of their mistakes at some later date. I say to you, Mr. Speaker, I am highly pleased that the government is going ahead with this legislation and that it will continue to do things for the small people—

An hon. Member: Like Eaton's.

Mr. Hosking: —the small shopkeepers.

Mr. Fleming: Like Eaton's and the chains.

Mr. Hosking: When the taxes were put on by the Minister of Finance, he put the main taxes on the large corporations that were able to pay. The small shopkeeper pays $1,950

against the incorporated large chain store's tax of $21,950. I submit that we have given these people the opportunity to compete and more than compete, namely to put the chain stores in a position where they want this price maintenance. The Tory party supports the big chain store group who want these chain stores to make a profit. They find it exceedingly difficult today to compete with the small corner store. They cannot compete if the small corner store operator wishes to cut his prices and is able to do so. They cannot compete and pay taxes of $21,950 as against $1,950.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. George H. Hees (Broadview): Mr. Speaker, during the past day and a half I have sensed a feeling of unreality in this chamber, due to the fact that I have heard Liberal speaker after Liberal speaker rise in his place and, in enunciating the principles of the Liberal party, say that anything to do with combines has always been very much looked down upon by the Liberal party and the Liberal government, and that such things have been ruthlessly prosecuted and stamped out.

Hearing this sort of thing time and again, I have had to pinch myself to make sure I was awake. Could this be the same Liberal party I was hearing about today that, only two short years ago, concealed for as long as ten months a report concerning an inquiry into an industry? That report came to light only because Mr. McGregor, who was then combines commissioner and about whom the government has so proudly boasted yesterday and today, became so revolted by the dishonesty of the course the government was pursuing in this connection that he resigned, and the whole thing then came to light.

I had to look over to the other side of the chamber to reassure myself that this was the same Liberal party, the same Liberal government these speakers were talking about, a government as they have said that has always been against combines, has stamped them out and done everything it could to make sure they did not exist. I looked over there and saw the same Minister of Justice (Mr. Garson), under whose department all this had happened, in protest against whose action the combines commissioner of that day had resigned. I looked a little further to his right and I saw the Minister of Trade and Commerce (Mr. Howe), the man who had pulled the strings that caused the Minister of Justice to take that very regrettable action. And then, Mr. Speaker, I asked myself this question: Just how white can a party paint itself, when such a very short time ago it was so very, very black?

I should like to go on now to say a few things about the proceedings of the committee on which I was privileged to serve during the last month. I speak of course of the committee which dealt with the question of resale price maintenance. After sitting for only a very few days on the committee, three things became obvious. First of all it became obvious that the government did not intend to pay even the slightest attention to the views of the small retailers who came forward to present their case. Second, it became clear that the loss leader was a very real threat to the business life of the small shopkeeper. Third, it was clear that the fair trade laws of the United States have proved to be more satisfactory to the people of that country than the abolition of price maintenance.

I should like to deal with those three matters, and I turn first to the consideration given to the point of view of the retailers. From the very first it was obvious that the small retailer was condemned before he even began to defend himself. The lawyers who were hired by the government, and who were supposed to be present as impartial questioners, had obviously been instructed by the government to destroy the case of the small retailer at the very first opportunity.

Their approach to the witnesses was that of a prosecuting attorney who was bent on proving that by trying to obtain a fair and stable price for his goods, the small shopkeeper is in some way guilty of a crime. It was in this atmosphere that the hearings of the committee were conducted, with the result that instead of the committee making a serious study of the facts in the case, the hearings were, in fact, a complete farce.

Secondly I should like to deal with the loss leader. Literally every witness who appeared before the committee stated that the loss leader is a very real threat to the life of the small shopkeeper. Among those who stated this view was no less a person than Mr. Fred McGregor, the former combines commissioner who, although he opposed resale price maintenance in theory, said that it was highly desirable to try to define the loss leader and to work out practical legislation to outlaw its operation.

Despite the overwhelming evidence that practical and enforceable legislation against the loss leader is needed, if price maintenance is to be abolished, the government steadfastly

refused to give this matter any further consideration. In effect the government said that the fate of the small retailer is no concern to them.

Finally I would draw the attention of the house to the fair trade laws of the United States. For a moment I should like to deal with the history of price maintenance and the growth of these fair trade laws in that country. Resale price maintenance was made illegal in the United States in the year 1900. I think it is very important to remember that date, because it was more than fifty years ago that that country did exactly what we are proposing to do today.

During the next thirty years, both consumers and retailers in the United States found that the conditions which this situation created were unsatisfactory. In 1931 the abolition of price maintenance was replaced by the first fair trade law, in the state of California. This law proved to be so satisfactory to both consumers and retailers that today forty-five out of the forty-eight states in the United States have replaced the abolition of price maintenance with fair trade laws.

I think it is obvious that the fair trade laws in the United States are just as satisfactory to consumers as they are to retailers, because there are more consumers than there are retailers, and consumers elect governments. If the fair trade laws had not proved to be more satisfactory to the consumers than the abolition of price maintenance, these forty-five governments would have been thrown out and the fair trade laws would have been thrown out with them.

The fact that the number of state governments that have introduced fair trade laws has increased from one to forty-five in the last twenty years demonstrates clearly, I believe, that the overwhelming majority of people in the United States are satisfied with the deal they get under the fair trade laws. It also demonstrates, I believe, that both the consumers and the retailers feel that they get a better deal under these laws than they got during that period when resale price maintenance was abolished.

I do not claim for a moment that laws which are satisfactory to the people of the United States are necessarily the best for Canada. However, I think we must remember that our economy and our buying habits are similar to those of the people of the United States. Therefore if we have any sense at all, and if we feel any responsibility to the people who elected us to this parliament, we should examine very carefully indeed their experience during the past half century before embarking on new legislation of our own. We are planning to take a step which they took more than fifty years ago, a step which has proved unsatisfactory to 150 million people just to the south of us, during that fifty-year trial period. Today the step which they took more than fifty years ago has been almost unanimously revoked by the people of the United States. If we are to follow the course which this Liberal government now plans to take, we are going to turn back the clock by fifty years.

I believe the committee on resale price maintenance should be reconvened, for three reasons: First, so the small retailer can be given full opportunity to state his case in an unbiased atmosphere; second, so a concerted attempt can be made to define the loss leader and work out practical and enforceable legislation to curtail its abuses; third, so a thorough study of the fair trade laws of the United States can be made to determine if those laws can be adapted to the Canadian economy. I, for one, feel very confident that they can, because, as I have said, our economy is practically identical with the economy of the United States.

Having sat on this committee for nearly a month, I believe this legislation is hasty and ill-considered, and is merely an attempt to draw a red herring across the trail of the ever-increasing cost of living, in an effort to take the people's minds off that very real problem. I believe that without a thorough and honest investigation of this whole problem, we are going to get legislation which 150 million people in the United States have tried and discarded after a trial lasting fifty years. Can we afford to ignore the lesson which has been learned by the most industrialized nation in the world today? I believe that the answer is an emphatic "no".

Mr. Roland Beaudry (St. James): Mr. Speaker, I want to record an amazing incident which happened yesterday and which has been repeated in spots today. That is the trip taken to the land of make-believe under the guidance or direction of the Minister of Justice (Mr. Garson), aided and abetted in part or in whole by some on either side of this house. Let me assure you that it is a somewhat startling experience to be jolted from the corner of St. Denis and St. Catherine streets in Montreal, where I was mentally lost in the contemplation of an appealing store window, and find oneself propelled to the Barbary coast. Yet that happened to me yesterday.

But not without avail, because, there, I was allowed to witness, in the fullest possible

bloom, the triumph of the merchandising and bargaining rights of the genus homo, tradesman, producer or retailer.

There, hidden behind a wide expanse of broad black backs manning the oars valiantly, if somewhat reluctantly, I was given to see with my own eyes the processes of free competitive trade, operating without interference from either state or producer. I was allowed to witness the broad play of competition at its fullest height, resulting in the privilege for the consumer to shop and bargain at his fancy, provided that he or she could preferably afford a four-in-hand, and did not mind adventures into trading which entailed flitting through the mire of the local common from butcher to draper, from draper to candlestick maker, to the spice man, the supplier of man's habiliments, to the carriage maker and the apothecary.

There 'mid the groans of unwilling labour recruited at some expense of human life, but with little other cost or remuneration, I relived during some minutes the enthralling appeal of free trade, unhampered, untrammelled and unfettered by what a sadly repentant world has come to denounce—if nowhere else at least in Canada—as the damning and soul-searing practice of resale price maintenance.

Having in a previous incarnation shown some disinclination to agree that the letters "R.P.M." must be interpreted as the mene, mene, tekel, upharsin of the consumer, my trip in the land of ministerial make-believe did me infinite good. It made me realize that even the best intentioned of us at times become forgetful of the bounties of Providence; and that, since under the leadership of this government and this party, our country has achieved an unparallelled position in the world and for each of its citizens, it perhaps might be well to not disturb this order of things.

It has often been quoted in my own language that "Le mieux est l'ennemi du bien".

Upon my return from the gold coast and the Barbary coast, from my wanderings on the common of Boston, among the chandlers and tradespeople of New Amsterdam, and in the shadow of forts Lewis, Henry and George, it was with some degree of pleasure and with no inconsiderable feeling of pride in human achievement that my disillusioned eye roved over some of the gilded, becarpeted and luxuriously fronted emporia—even those without the further inducement of live models —which the minister of make-believe took some pains to delineate before this house yesterday.

Those of our colleagues, tradespeople, merchants, druggists, whom we had at first accepted as sound people and men well regarded in their communities since they seemed to command the respect of the majority, which as the minister himself pointed out yesterday still rules—these colleagues, sir, upon my return regained some of their temporarily lost stature.

Clad as they had been in the land of make-believe in what to the fastidious were the somewhat repulsive and repellent tatters of Simon Legree and his French counterpart, Harpagon; twirling under the consumers' noses the implement for which the English equivalent fails me but which in French is known as "le tonneau des Danaïdes", behind which lurked the Medusa of resale price maintenance—they hardly qualified as representatives of the consuming public.

May I tell you, sir, that it was most gratifying upon my return to solid ground to be able to conclude that they are more than fully entitled to the original respect and tribute which has been paid each of them in his community.

An hon. Member: The land of the stratosphere.

Mr. Beaudry: Having returned from the land of make-believe may I dive headlong into the mother-sea of fact, there not to be submerged, I trust, as the McGregor fears, but to be buoyed, I hope, upon the wave of concrete fact.

We are asked to legislate on resale price maintenance and to incorporate in our statutes an amendment to the Combines Investigation Act which will make it a criminal offence (a) to maintain or induce to maintain resale prices and (b) to refuse to supply goods as a consequence of refusal to maintain prices, each, I point out, being an offence in itself and quite independently to each other.

This measure has come as a considerable surprise in many quarters in view of recent Canadian history in the field of price investigations and in terms of the speech from the throne. In recent years we have had three definite and separate experiences of sorties into the field of prices. In 1948 the special committee on prices, consisting of members of this house, sat for almost four months. Its conclusions, after having delved deeply and at length into the question of prices and the causes for the then rise of prices, were that resale price maintenance, which might have been a small contributory factor, was certainly not such a factor as to warrant attention at any length.

If the prices committee did not at that time probe deeply into the question in spite of the length of the inquiry and in spite of

the ample time at its disposal, may I submit to you, sir, that this was done principally on the McGregor's advice on this matter.

I refer the house to page 210 of minutes of proceedings and evidence, No. 5, of the special committee on prices, Tuesday, February 17, 1948 in which, in answer to a question by the hon. member for Vancouver East (Mr. MacInnis), the witness, the McGregor, stated:

. . .we had no complaints in recent months and we had made no investigations in recent months. One reason may very well be, and it is a fact, that competition is working in most of the fields which are indicated in the four or five pages to which we referred yesterday.

The hon. member for Eglinton (Mr. Fleming) interjected the following:

Items in the cost of living index.

The witness answered, "yes".

At page 213 during the same examination the witness was asked if there were any monopolies in the distributive trades or the manufacturing trades over the last ten years, and the answer, as found at page 213, was, "I do not think there have been in the distributive trades." At page 221—and I shall come to this later because it has a very significant bearing—there is a question by the hon. member for Calgary East (Mr. Harkness) with respect to resale price maintenance. He said:

I would take it that you do not as a general rule look upon resale price maintenance as an inimical practice?

Further, and still as a question, he said:

I take it that from the fact that the situation exists you do not look on resale price maintenance as a bad practice as far as a large number of commodities are concerned. Is that correct?

The answer was:

I have taken a pretty strong attitude in this brief on the question of resale price maintenance. I realize that a case can be argued on the other side. If these issues were all capable of being referred to as black and white it would be a very much easier job of administration. Here is a case where I think you have to examine the particular commodity and the particular circumstances in every instance.

Later he said:

I would rather examine each case on its merits and then come to a conclusion.

I said there was some surprise at the terms of this legislation. May I refer hon. members to the speech from the throne in which the government suggested that it was about to introduce legislation "arising" out of the MacQuarrie report. I now submit that the bill before the house does not arise from the MacQuarrie report. It is a strict interpretation of and a rigid adherence to every single term and every single word of the conclusions of the MacQuarrie report.

Discussing the principle of the bill yesterday, the hon. member for Kamloops (Mr. Fulton) prefaced his remarks with the statement that he and his party took no strong attitude either for or against this measure. That, sir, was a statement which caused no great surprise on this side of the house or anywhere in the country. It is a statement which is very well in keeping with what is sometimes referred to with some levity as the Conservative philosophy.

Contrary to the hon. gentlemen I take a very strong view of this matter. I am in accord with the principle of legislation generally covered by the bill, but I am not fully in accord with its terms because the conclusions of the MacQuarrie report, now expressed in the terms of this bill, stem from premises which, in my humble opinion, have never been established.

The hon. gentlemen who were members of the special committee on combines realize that we have no evidence on the MacQuarrie investigation; but we do have evidence on one subject, namely the request made to industry when it was invited to appear before the MacQuarrie committee. I refer to page 663 *et sequentia* of *Hansard* of this year. The Minister of Justice (Mr. Garson), moving the motion to establish a joint committee to consider the interim report, quoted the letter which had been sent from Ottawa on July 7, 1950, to industry, and I quote part of this letter as follows:

To avoid any possible misunderstanding, I desire to emphasize that no suggestions of amendments are being made to the committee for its consideration.

And further:

For its assistance in this study the committee is anxious to receive as soon as possible from organizations, firms and individuals whatever views they may wish to express upon matters within its terms of reference.

And still further:

In view of this the committee invites comments on this particular problem . . . In particular, the committee would appreciate receiving extended comments on the tentative conclusion of the royal commission.

On the same page of *Hansard* a repetition to this effect:

The committee expresses a desire to secure as wide an expression of views as possible.

Later on, the minister went on to say at page 664:

The views that were submitted to the MacQuarrie committee were general views upon the subject of resale price maintenance.

And further: "This presentation of views", and so forth.

Now, sir, we do know that the committee had none of the evidence submitted to the MacQuarrie group before its eyes. But we

also know this, and I bring it up in respect of the contention of the Minister of Justice, expressed many times during the committee's recent sittings but more particularly at pages 246, 252, 253 and 254 of our minutes, that the burden of proof to disprove the conclusions of the MacQuarrie committee rested on the shoulders of those who were appearing before the special house committee. I contend, sir, that a great deal rests on the interpretation of the word "views".

Following a price investigation by a special committee of this house in 1948, the conclusions of which did not in any way reach into resale price maintenance; following a royal commission subsequent to the report of this committee and extending into 1949, again with no definite conclusions as to objections to resale price maintenance; in 1950, without any action from a royal commission or a house committee; without any action for over twenty-five years by the commissioner of combines against resale price maintenance—and in spite of the fact that both the present and the former commissioners agree and admit that the present act would allow and justify prosecutions against resale price maintenance, on that very score and on that score alone—industry which had first been asked to submit to a third group, which has no judicial nor legislative capacity, its "views" on the matters, was now asked to destroy the conclusions of the MacQuarrie report.

I submit, sir, that industry, the merchant, the tradesman and the manufacturer, the butcher and the candlestick maker, must have submitted views; and my contention is supported no less by the fact that when the same people were again given the same invitation to submit their views before a committee of this house no less than a month and a half ago they again did so; but the Minister of Justice found it possible, found it necessary perhaps, in respect to his conscience or to his belief—and never would I contend that his conscience or his belief are not above reproach—and imperative, to state before the committee at every possible stage that the onus of proof to destroy the conclusions of the MacQuarrie committee was upon each and every one of the witnesses who appeared before us.

Now, sir, I have felt, and others in this house have felt, that perhaps their expressions of views should have been looked at and interpreted in the light of their general definition of life, not in the light of lawyers and legislators. Nothing perhaps substantiates this belief more than what one of the two largest labour groups in the country said at page 46 of our minutes on being asked whether they had appeared before the MacQuarrie committee, and what argumentation they had submitted to that committee. They, through the voice of their public relations adviser, Dr. Forsey, stated as a preamble to their appearance before the committee, in Dr. Forsey's words:

> Second, I want to make it very clear that the congress does not regard this legislation as of vast importance or likely to be of enormous effect upon the cost of living.

At one stage, sir, I waxed slightly curious and asked this question:

> In so far as your report to the MacQuarrie committee is concerned, short though it may have been, was it substantially different from the brief we have before us?

The answer was:

> It was very much shorter, and I think—in fact it simply contented itself with saying what our attitude was.
>
> As I recall we did not present any argument.

Then I laboured the point slightly, and at times I was very meticulous. My question was:

> Did your report to the MacQuarrie committee include any more substantial or concrete information than the brief which is before us this morning?

And the answer was:

> Most decidedly not.

Yet, Mr. Speaker, I find at page 8 of the printed copy of the MacQuarrie report, under the heading "Submissions received" that, in general, retail associations, manufacturers, wholesalers and retailers were favourable to resale price maintenance, while on the contrary co-operatives, labour unions, farmers and consumer associations expressed opposition to the practice. Now, sir, I have dealt with one labour union. May I go on to a second witness from the same group of labour, the Trades and Labour Congress of Canada, who appeared before us. In the early part of their statement they said, on page 371 of the proceedings of the committee:

> We would like to improve the standard of living; we are not interested in just going around seeking higher wages, and we are not sure whether amending the Combines Investigation Act would help that.

Further on they state:

> We think if you set up a law of that sort in a positive sense, with a consumers' price board where these arrangements can be considered and approved in whatever form they may necessarily take, that we would be moving in a direction which would uphold the principle of free economy.

Then the hon. member for Eglinton (Mr. Fleming) asked this question, as it appears on page 372 of the committee proceedings:

> Q. Have you examined the draft bill on page 34 of the proceedings of this committee?
>
> A. I have read the original draft.
>
> Q. You will recall it purports to propose blanket prohibition on resale prices. Would you think that is a proper and desirable way of going about this matter that we have blanket prohibition, or if we

are going to have legislation on it should it be left to determine whether in the particular case the particular type of agreement is in the given circumstances harmful to the public interest or not?

Mr. Bengough: It would have to be flexible.

Mr. Fleming: You would not favour a general prohibition?

Mr. Bengough: No.

So the members of the committee and the members of this house are in this position today, that without having access to the evidence put before the MacQuarrie committee, this evidence being privileged, and having only the evidence submitted to the committee of this house on which to rely, we are asked to agree with conclusions reported by the MacQuarrie group, conclusions for which there is not the least vestige of a premise.

There were two groups who appeared before us, the protagonists and the antagonists. The protagonists claimed that resale price maintenance should be illegal because it deprives the consumer of his shopping rights, and it deprives the retailer of his full right to compete in prices. It is claimed that the alienation of this right is detrimental to the general interest—although no proof was submitted and proof to the contrary was admitted—in that the practice has led to higher prices.

The antagonists of this measure agree that resale price maintenance limits the consumer's bargaining power but not his right of discrimination between similar commodities. Rigidity of price has been claimed as one of the other factors in resale price maintenance. Price maintenance may be on only one, a few or many articles in a wide range. Variety, it has been contended and not disproved by the evidence in the record, assures price competition at all levels. A further contention was that prices are generally lower in the range of resale price-maintained goods, this being achieved through the phenomena of higher volume, more turnover, cheaper production cost, lesser margin and a lesser price.

Of course, sir, I was forgetting to bring into this discussion the evidence of one who has been termed by the hon. member for Coast-Capilano, and by others, as the "star witness" of the committee's investigation. This "star witness" made a series of pious statements, but he scrupulously avoided any reference to actual fact. From his slightly pursed lips cascaded an avalanche of "I believe", "I opine", "I think", "I hope", but never "I prove." I turn to page 388 of the record where the "star witness" said:

My very first major inquiry related to resale price maintenance. It was started in September, 1925...

Then he went on to describe his experience. This, sir, is in opposition to a very pertinent fact, because as you will see later the "star witness" for the protagonists held himself fully capable of discussing and determining the juridical portent of the bill now before us.

The "star witness", who had experience going as far back as 1925, declared in 1948—and I shall bring his evidence before this house in a moment—that after thinking over the point and discussing it with his associates during twenty-three years' experience, he was still unable to define or redefine the section of this act which would, in fairness to everyone, be the proper legislation against resale price maintenance.

At page 389 of the committee's proceedings our star witness stated:

If only a few of the manufacturers in any one field adopted the practice, and there were plenty others who did not, the damage to the consumer through such a limiting of price competition would not be devastating.

But, Mr. Speaker, nowhere in the 388 pages of evidence which precede this statement has it been proven that his contention was either true or untrue.

At page 390 the McGregor gives an "opinion", but this time he states it very clearly:

In my opinion, for the reasons I have indicated...

I should be deeply grateful, Mr. Speaker, to anyone in this house who would quote from this record what reasons have been indicated. The McGregor says:

In my opinion, for the reasons I have indicated, the combines act in its present form is not sufficient to prevent such action. The act needs amendment.

Further down on the same page he said:

The extension of the practice in recent years has been alarming. If it continues it will not be long before price control by manufacturers will become the rule in the distributive trade and price competition the exception . . .

But, gentlemen, you have all heard the pious reference, made in 1948, to the fact that over a period of years of the McGregor's experience, there was no lack of competition in the distributive trades. Now, of course, the extension of this practice "has been alarming". Indeed, so alarming has it become that later in his testimony the McGregor states that so far as he can ascertain—and again in his opinion I submit—over a period of almost thirty years, this practice, which at this stage has reached such "alarming" proportions, may have increased from 5 per cent of the volume of trade in 1925 to the alarming figure of perhaps 15 per cent in 1951. I submit to you, Mr. Speaker, that if we continue at this "alarming" rate almost three centuries would elapse before we were engulfed and thoroughly upset by this alarming phenomenon of resale price maintenance.

It is unfortunate, sir, that time prevents me from going through each of the opinions of our star witness, but here is one I should like to bring to your attention. It is another of the pious statements he made so frequently and with so little difficulty. Referring to the attitude of the "other fellow"—as he stated it—one wonders how many "peculiar" industries there are.

That word is in quotation marks even on the record, so there must have been a quotation either in his voice or in his script, although, Mr. Speaker, most members of this house and all members of the committee know that it is easier for me to refer to the record than to his printed brief, because his printed brief was submitted only after he had put his contentions verbally on the record.

But please give your attention for a moment to the connotation of: One wonders how many "peculiar" industries there are in Canada; because turning back to page 597 of the record —again the McGregor being on the witness stand—he was asked in reference to one statement made by a witness in the retail drug trade, who had stated that it would be very difficult and in his own words, very rough, he being a manufacturer, if the business he had taken thirty years to build up could be left to be destroyed overnight by the decision of an independent dealer; the McGregor is being asked:

> There is a case where a manufacturer says it is against his interest if retail price maintenance was not followed and he feels obviously very deeply about it. What would you say as to his argument?

Then the great, the ecstatic, the pious McGregor says:

> I think this particular group is one again you would classify as one of the "peculiar" industries.

I could go on, sir, ad infinitum and certainly much longer than this house would condescend to listen, going through these gems and pearls that came from the "star witness". I may say that at page 400, dealing with the question of loss leadership, the star witness emitted this pearl—

An hon. Member: Loss leadership?

An hon. Member: That is a Liberal.

Mr. Beaudry: Yes, I am a Liberal, if you are interested. He said:

> The big stores seldom resort to such a practice. When they do, there may or may not be economic justification for this action.

This, Mr. Speaker, from the man who for twenty-five years fought monopoly and who at this stage was the "star witness"; and this is not my description but that of those who not only would fight monopoly but who—I prefer to think, without perhaps deep enough thought—would cause serious permanent injury to a great many people in Canada.

Sir, on that and on much more evidence of this type both sides, the protagonists and the antagonists, rest. Of course, there was much discussion. In committee a great deal was said and a great deal was adduced in evidence, mostly through members—more so than through witnesses—to the effect that resale price maintenance in Great Britain and in the United States was in one case perhaps bad and in one case perhaps good; but that at any rate the proposed legislation in Great Britain was of great impact and it was something upon which we in this country could base our judgment.

Mr. Speaker, I call your attention to this fact. Yesterday, the Minister of Justice (Mr. Garson) while presenting his argument pointed out, for instance, that in Great Britain the increase in the retail drug trade had gone on at such a rapid pace that from 8,000 to 9,000 new stores a year were being opened, and that this constituted a great indictment against the practice of resale price maintenance. Let me say that we have in this country figures which do not necessitate that we should go to Great Britain. We have in this country figures which in this case were supplied to me by the counsel for our committee; and these figures indicate that the drug stores in this country which in 1930 numbered 3,267, in 1941 numbered 3,595, while evidence before us in 1951 brought up the figure to somewhere about 4,500. It would seem to indicate, sir, that perhaps we should remain in this country to discuss this argument and to get the full import of the mass of other arguments which have been brought forward.

Mr. Speaker, I feel that I have gone over my time, but if the house could be lenient with me for a short matter of minutes it would be a matter of privilege not only for me but a matter of privilege for the entire house because it would permit me, I assure the house, to avoid speaking on the amendment and being repetitious; and I must say that I dislike to be repetitious. Mr. Speaker, may I ask leave to speak for a few more minutes?

Mr. Speaker: Has the hon. member for St James leave?

Some hon. Members: Yes.

Mr. Knowles: I do not think it would be fair. We stopped the hon. member for Coast-Capilano (Mr. Sinclair); and others since he spoke have confined themselves to forty minutes.

Mr. Speaker: I think we gave one hon. member two minutes extra.

Mr. Knowles: All right, but only two minutes.

Mr. Speaker: If it is the unanimous wish of the house, the hon. member may continue.

An hon. Member: For two minutes.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Beaudry: Mr. Speaker, it is disturbing that, here also, time prevents me from bringing forward the wealth of proof which is on the record; but I commend the record to the attention of each hon. member before he formulates a definite opinion as to whether he should be for or against this legislation.

There is just this I want to say in conclusion. Many people have wondered why I am taking the attitude I am taking against this legislation. Let me say this to them. I represent in this house probably a greater number of shopkeepers and tradespeople than any other hon. member. Anyone who is familiar with St. Catherine, St. Lawrence, St. Denis, Amherst, Rachel, Mount Royal, Craig, St. James, Notre Dame and St. Paul streets in my riding will appreciate what I mean. The number and the interests of these people make it easy to understand why at times I have been perhaps too strong in upholding what I believe to be their viewpoint.

In one respect their situation is like mine. They, and I with them, may be convinced that the present bill is not a piece of legislation which will stand out among the achievements of this government. Yet they, and I with them, would hesitate to condemn the government because among its vast number of brilliant brain children it had allowed one to creep in which did not exactly scintillate.

Frankly, when I compare this bill with any of the other legislation that has been brought into the house by the government since I have been here, the bill does not gain stature. Frankly I dislike the bill. I dislike it as it is presented, although the addition of a few words would make it highly palatable. I dislike it because I fear the far-reaching effects which are not necessarily noticeable to the naked eye. In this respect I find myself in league with the small merchants of the country whose fears, well-founded or not, were clearly expressed during the sittings of the committee. Yet the addition of a few words would make it palatable. I find myself now in the position of having to determine my conduct henceforth.

Some hon. Members: Time.

Mr. Beaudry: If I may be permitted to determine my conduct, I promise to be finished after that. Strangely enough this conduct was crystallized by me a few nights ago—

Mr. Speaker: Order. The hon. member has spoken more than his allotted time. Shall I allow him to continue?

Some hon. Members: No.

Some hon. Members: Go on.

Mr. Beaudry: Mr. Speaker, I have been careful in not taking up too much of the time of the house at this or any other session. I shall be most grateful for being allowed on this occasion to finish.

I was saying that, strangely enough, the course which I am now going to follow was crystallized for me a very few nights ago in the course of a conversation I had with one of our colleagues, with whom my association dates back twenty-five long years, to the days when both he and I were playing professional hockey. I refer to the hon. member for Trinity (Mr. Conacher). While he went on to scale the heights of athletic glory, as one of the greatest players on some of the greatest teams, I remained a back-bencher there, also. Yet having undergone the same tribulations in our younger days; and having served under the same men in different circumstances and at different times, and having served under other men, we like to recall those experiences.

It was precisely during one of those talks that I realized that many a time we had had disagreements of opinion with managers or coaches in particular games and concerning particular plays. Yet it never would have occurred to either of us, or to any of our teammates, to deny the coach our confidence because of some isolated instance of disapproval respecting some particular play or game. We felt at that time, and we still feel, that so long as the coach was successful in the task entrusted to him he was entitled to our loyalty and support. And over the years neither he nor I have seen anything to warrant the altering of that concept.

I have a young son who celebrated his tenth birthday last week. One of the fondest memories he will treasure is that as one of his birthday presents—

Mr. Fair: I should like to get a word in, if I may.

Some hon. Members: Time.

Mr. Beaudry: —he had a chat with the Prime Minister of his country. To my son I shall impart this guidance, that as a member of the team he must follow the coach. And today my son's father finds himself in the position of determining for himself whether in the over-all pattern of this country's administration, an isolated event connected

with a piece of legislation which he dislikes and fears, would justify his negation of confidence in the head of the team, or in the government as a whole.

Some hon. Members: Time.

Mr. Beaudry: What is the father's precept to the son will be the father's tenet.

Mr. Robert Fair (Battle River): Mr. Speaker, I shall not take long. I do not intend to speak for fifty minutes. I am in favour of the government's legislation and, in order to get home in time for Christmas, I am leaving tonight.

Mr. W. G. Blair (Lanark): Mr. Speaker, I feel I should say something with respect to this bill, because I was a member of the committee. It is true I became a member of it a week or ten days after it had begun its sittings. However, I was anxious to learn something about this matter because I entered the committee, as I stated in the committee itself, with an unbiased mind and without any idea of being an obstructionist so far as the legislation was concerned.

For the first few times I attended I listened with keen interest, because I wanted to find out something about the bill. It is not usual for a person to want to serve on a committee; but I went there for the purpose of learning. It is amazing to me to realize the number of people who do not know the definitions of the terms "resale price maintenance" or "loss leader". We have heard criticism of the committee this afternoon, and I should like to add my criticism of it.

This legislation was announced in the speech from the throne. There were three evenings during the session when, for want of work to do, we adjourned at five o'clock. If this legislation had been brought in earlier in the session and a reasonable chance given to study it, then I would feel that I would know enough about it either to reject or support the bill. But at the present time I must say frankly that from the information I have received I cannot support it.

During the time we were on the committee several things happened that changed an unbiased mind into a mind that was beginning to form an opinion about this matter. The first thing that struck me was the fact that one morning some thousands of retailers, through their counsel, wanted to be heard before the committee. The ruling was: "No, we will not hear you. We have heard some other parts of your brief from some parent organization." Then I felt that when we were inquiring into something as important as this, and when thousands of retailers could be turned away without a hearing the procedure of the committee was not democratic, and there was something wrong with it.

The next thing that bothered me a great deal was the attitude of the counsel to the committee. I have the greatest respect for the learned profession. I know they are criticized, as the members of my own profession are criticized. But while doctors develop a bedside manner, possibly lawyers develop a courtroom manner. I felt from the questioning of the counsel there one day that the witness was put in the position of a prisoner in the box who had committed a crime. In this instance the hon. member for Broadview (Mr. Hees) and the hon. member for Eglinton (Mr. Fleming) protested vigorously about the attitude of the counsel to the committee. Next day it was much better. But I could not help feeling that a witness who came in to give his best opinion, whether for or against the legislation, should not be treated in that way.

Some of these things helped me to make up my mind, so far as the legislation is concerned. In fact the attitude of the committee brought one thing to my mind, and it was this: that as applied to the retailers it might have been suitable if they had been told, "Abandon hope, all ye retailers who enter here". That is what was absolutely wrong about this committee, in addition to the fact that it was brought into being too late.

There were certain things about which I wanted to get information. I wanted to find out certain things about matters in which those people were concerned. One of the things mentioned in their brief indicated that there was in their minds some question of price fixing or combines in connection with obtaining cement, and that the western people were concerned about the trouble in getting fertilizers and the position in which the agencies were placed. I could obtain no information on those things.

The problem facing every person in this country today is the high cost of living. It has been said half a dozen times this afternoon that this legislation was brought in to try to make the people believe this government was doing something about the cost of living. They have been bitterly criticized on that account, and the reaction of the people in five by-elections shows that they are very much interested in the high cost of living.

I feel that the committee did not have the time or opportunity to make a proper study of this legislation. The matter is too big and too important. If it is going to affect the small retailer as we believe it will, we should

give further study to it and try to bring in a bill that will be the best possible for this country.

The hon. member for Broadview (Mr. Hees) referred this afternoon to the fair trade laws in the United States. Forty-five states have enacted these laws. In the United States the consumer, the retailer and the manufacturer all seem to be quite happy and satisfied. Something like that is worth studying before we hurriedly bring in a bill of this type in what I hope are the closing days of the session. It should receive more study instead of a heated debate for twenty-four hours in this chamber and then pushed through to a vote. As has been suggested this afternoon, we will be studying this matter later when we see its consequences upon the public.

I stated that very few people are really aware what resale price maintenance means. As authority for this I will take the report of the MacQuarrie committee. I find it stated in the interim report that resale price maintenance means the right of the manufacturer of a product to establish the price at which it will be sold. I think that should be placed in simple language before the people of this country. It is not an agreement between a manufacturer and his competitors to keep up prices. We should be clear on that matter. I was interested to note that in the committee certain things continually came into the discussion, rather than the broad picture of all commodities in which we would be interested. It was amazing to find that the one thing that was recurring was aspirin and the other was mixmasters. Then there was one other, the cost of dry cell batteries, and also paint brushes. I shall have something to say about aspirin and its effect on the pharmaceutical trade later on.

I come now to this matter of loss leaders. The minister sat opposite to me most of the time in the committee when we were talking about this matter of loss leaders. It is generally agreed that it is a vicious practice in merchandising. I went to the MacQuarrie committee report to obtain a definition of loss leader, and the following will be found on page 25:

> The second practice, called the "loss-leader" device, is an aggressive weapon designed to attract customers for a whole range of goods by a particular part of selective and excessive price-cutting. Usually a well-known brand is used as "loss-leader" and it is sold at a price which has no direct relation to cost and may even result in a net loss.

I remember that this matter of loss leader was under discussion in the committee one day and I made the remark that it was difficult to legislate against something that was hard to define. I am not going to repeat what has been said since this debate started, but I should like to refer again to the MacQuarrie report which admits that price maintenance prevents two possible forms of monopolistic practice which tend to produce unreasonable retail prices; first, the use of monopoly power at the retail level and, second, the loss leader device.

We all admit, and we found out in the committee, that the loss-leader type of merchandising is a vicious practice. The minister himself admitted that in the committee; I remember that he took my word that it is difficult to legislate against something which cannot be defined. I came upon a most amazing thing on the last page of the MacQuarrie report. This type of merchandising is a vicious practice, and I quote from the MacQuarrie report as follows:

> As to the "loss-leader" device, the committee believes that it is a monopolistic practice which does not promote general welfare and therefore considers that it is not compatible with the public interest.

That is true so far as it goes.

> However, we do not believe that it presents any immediate danger: extreme forms of price-cutting are not very likely in this period of inflation and relative scarcity. Moreover, we are convinced that there can be found other effective and more desirable methods of controlling the "loss-leader" than minimum resale price maintenance.

This last statement is important.

> Present circumstances afford time to make a careful study of such methods and the committee, therefore, does not think it imperative to make an immediate and hasty recommendation regarding that practice.

If the loss-leader device in merchandising is a vicious practice, why is something not being done about it now? If the answer is in the present legislation on combines, why has something not been done before this?

There are advantages in resale price maintenance. One has to admit that. In practising resale price maintenance the manufacturer places the small merchant in a better competitive position because the practice of resale price maintenance is against the loss-leader practice. The other people whom we must consider are the consumers. There is something to be said for resale price maintenance so far as the consumer is concerned. This creates a common price for the same article no matter where it is bought.

Another way in which resale price maintenance is valuable is that the consumer is ensured against high prices in times of scarcity. These things should be considered. We should not become prejudiced against something that will really do good in the end.

There is another matter. We have spoken a great many times about competition. I

have always been interested in name brands. I have found it impossible to be an authority on every single commodity that I buy. I could not judge a watch, and I certainly am a poor judge of textiles. So many things enter into our life that we have come to look upon the name brand as a mark of quality. I certainly could not look into a watch and tell that that was the best movement I could find in keeping with my purse. Therefore I depend on certain established brand names, since I look on them as a mark of quality. I have found during my life that it is better to buy something that has a brand on it because you are sure of the type of commodity that you are buying, rather than to go adventuring in certain unnamed types of merchandise. I have found it a protection in so far as I am concerned because I could not afford to buy something that was useless and would not last. I have taken a watch as a comparison, but in the whole field of watches you can start with well known brands like Waltham and Elgin and go all the way down the list until you find a name brand that will fit your purse. Behind it there is a guarantee of quality by a reputable company.

There were some other things that bothered me so far as the deliberations of the committee were concerned. I wondered with respect to the legislation now being introduced whether it would be possible to enforce something like that. Could it possibly be done by law? I came to the conclusion that it would require more men than we have in the armed forces at the present time to enforce a law of this type. I am also very much concerned about the cost of living, and I came to the conclusion that this measure will have little or no effect in so far as the cost of living is concerned. When I had the opportunity I went into many stores, and I was certainly seeking for the truth. I found that very many things sold in the stores have nothing to do with resale price maintenance.

The first person I went to was a grocer, and altogether I visited several stores. By the word "grocer" I mean people who sell food, because I include them all; and the odd butcher shop carries a line of groceries. I could only find three or four items in the whole stock carried by stores engaged in selling groceries that were price-maintained, and they were mainly luxury items. I found that cocoa and some food products such as salad dressing and cream cheese are price-maintained, and that so far as all the rest are concerned very few products are price-maintained. Food is a very important commodity at the present time. Everybody is interested in the cost of food.

Then I made further inquiries as to such commodities as sugar, flour, suits of clothes, ladies dresses and wearing apparel; and very few were price-maintained with the possible exception of men's wear. A well known brand of hat or a certain type of shoe was price-maintained. However, there is nothing which compels the buyer to resort to articles which are price-maintained. He can purchase if he so desires certain articles that are not price-maintained in every kind of commodity.

I next visited people engaged in the tobacco trade, and there one finds a certain type of individual in small stores all throughout the country. I was amazed at the number of veterans, some of whom were pensionable, who had started little stores in an effort to re-establish themselves. You would find them running a service station and selling a little tobacco. I found widows and persons who are physically unfit running little stores in outlying parts of the town. They did not carry very much stock but one of the things they carried was tobacco. Then I ascertained the number of retail tobacco people in Canada, and I found there are 90,000 outlets. This matter was not put before the joint committee and I lacked information and still do so far as the tobacco trade is concerned.

Personally I am concerned about these little people who are running stores. Then I investigated the percentage of profit made by those with little stores and I found that those retailing tobacco make a gross profit of 10·48 per cent, which in these days is not exorbitant. The public are inclined to blame the tobacconists for high prices when they are not at all to blame, and the amazing thing is the fact that 60 per cent of the price of cigarettes goes to the government.

With reference to mixmasters, I remember the day in the house when we were discussing the budget and we appealed to the government not to put a further tax on essential household articles such as electric appliances. Additional government taxation and increased sales tax brings up the price of such commodities, and the public surely should not be led to believe that the increase in the prices of these commodities is due to the fact that their resale price is maintained. The government is making a lot of money out of it. The government takes most of the money in so far as their price is concerned.

I was amazed, and in this I make no appeal for sympathy, at the number of veterans who are conducting small stores trying to eke out a living. I am interested in the person with the small store. He should have a chance to live. When I found veterans running stores trying to eke out

a living because of the size of their pensions or war veterans allowance, then I certainly felt that nothing should be done to prejudice their position. I then went to see people in the jewelry trade. I learned in the committee that practically no watches are manufactured in Canada. There is only one type of watch manufactured in this country, the Westclox, which with all due respect to the firm is a cheaper type of watch. All other watches that we have in Canada are made in Switzerland, although some of them are cased in this country.

That is one thing we found out in the committee but, as I said before, there is a measure of protection in the names of certain types of the better grades of watches. I went to a jeweler and said: "What do you think about this thing? How does it affect you?" He did not speak for a minute. He just looked at me, went to the window and took out two diamonds in cases. They were obviously engagement rings. He said: "You must remember that the small jeweler has not behind him a name like Ryrie-Birks; we have to depend on certain branded types of merchandise in order to be sure." When the average young man goes to purchase such a thing he is certainly in a jittery state and is no judge of diamonds. This jeweler showed me one name brand of diamond he sold and said, "I can guarantee this, and the customer will know what he is getting when he buys this brand." Then he showed me the other diamond that had no name and I said, "I do not know whether or not it is good". He said, "I just wanted to assure you that it is not. It is not worth half as much as the other but I can sell it for twice as much, and no young man will be aware of what is happening." Therefore so far as the jewelry trade is concerned, and I include in that silverware and certain other commodities, we come back to the point that the average buyer is no judge. One could not possibly be a judge of all commodities, and when we go to buy jewelry or anything in a jewelry store we have to depend on certain name products.

The next people concerned were the druggists. Of all retailers the druggists have certainly taken it on the jaw so far as criticism is concerned. Everybody seems to be after the druggists. I noticed that people generally seem to have adopted the attitude of the committee because when I asked certain people about the druggists—and again I honestly say I have made inquiries as to the public attitude—they always said to me, "What about aspirin?" Surely something more is sold in a drug store than aspirin. Let us go into this aspirin question, because I am sick and tired of people saying to me: "What about aspirin?" I am going to tell the story. Let us scotch this thing once and for all. About 40 years ago, or sometime later, when salicylic acid was discovered, one company put it out first under the trade name "aspirin", and the name was registered. But all other pharmaceutical houses sooner or later followed suit, and the peculiar thing was that they named their product "aspirin". I do not know why. They thought that the chemist who discovered it called it "aspirin" and they followed suit, and all the pharmaceutical houses throughout America, in fact, placed this product on the market under the name "aspirin". For thirty or forty years nothing was done about it; aspirin was the name. It became the name of the household commodity. The name was common, and owing to the advertising on the radio by one well-known company the name became very, very well known.

A short time ago the Bayer people clamped down and said: "This is our trade name. You cannot sell that product. If any drug store sells this product, or if any of you people or other pharmaceutical houses put it out with the name 'aspirin' on the bottle, then you are subject to a fine under the laws affecting trade marks". So all the other pharmaceutical houses had to hustle around and find new names. So they picked on the names like A.S.A., acetylsalicylic acid, cetasal, cetyloid, and all that sort of thing. But after 40 years it is pretty hard for the public to start learning these names. Therefore when you go into the drug store and ask for aspirin the druggist is legally compelled to give you Bayer's aspirin and nothing else. If any consumer knows that he can walk into a drug store and ask for acetylsalicylic acid, 5 grains or A.S.A. tablets, or cetasal, or cetyloid, or any of the names, then he can get it at about one-quarter of the price. There is no doubt about that. But that was, I was going to say, sharp practice so far as the firm was concerned. It certainly was pretty sharp business practice. I understand that the story is this. No other country in the world permits this law in regard to aspirin. The name has been accepted in Canada, and when you ask for aspirin you have to buy Bayer's. There is some reason behind that. I understand—I may be subject to correction—that when this matter came before the Supreme Court of Canada the pharmaceutical people thought there was nothing to it and they did not make an appearance and judgment was given in favour of the Bayer people.

I am very much concerned, Mr. Speaker, about the position of the druggists. As I said, they have been open to a great deal of criti-

cism, criticism in the committee and criticism in this house. The public are being taught to believe that they are people who insist on tremendously high margins of profit in connection with the manufacturing pharmaceutical people themselves. But I want you to remember this when you talk about the druggists. They occupy a dual position. They are professional people, and they are merchants. Nobody can run a drug store unless he has had four years' training. This is demanded by the laws of the province. As I said, they have a dual position. Owing to the fact that they are professional men I think that some of the criticism is entirely unjustified. It may be that there are certain commodities which do cost a great deal, but I want you to remember that so far as the druggists and drugstore items are concerned, the people seem to have an idea that they should buy these items at the old prices. They are not taking into consideration either high costs or rising prices, and they have never considered the question of inflation.

One might put it this way. There was a time when the public generally thought that a box of pills was worth 50 cents, no matter what it contained, and they are still looking for a 50-cent box of pills. Conditions in the drug trade have absolutely changed. As I said in the committee, there was a time when they were apothecaries, and the doctors were inclined to write prescriptions with probably ten and twelve ingredients in them. The druggists had to make all the ointments themselves. They had to roll the pills and do all that sort of stuff, but conditions are quite different now. A lot of these commodities used by doctors are put out in a bottle, possibly with the prescription on the side of the bottle, showing the potency in unit strength. When a doctor, being interested in his patient, wishes to prescribe he naturally wants to get the best product possible. I do not mind bringing firms into this debate, because firms like Burroughs Wellcome, Parke-Davis, Eli Lilly and so forth, are people who cannot afford to put out a product which is lacking in potency or in unit strength; and doctors in prescribing sometimes specify products of a certain type of the company which will make a certain pill of a certain tincture, or a pharmaceutical.

That is very important. The public should understand that. I think it was shown in one of the briefs presented from England that there was an outgrowth of people who had sort of horned into this trade, particularly in the proprietary preparations, and in consideration of this one must remember and the public must be taught—and I find it in my own practice so often—that if you are going to get the best for a patient you must be careful what type of thing you prescribe.

[Mr. Blair.]

Let us assume, as I have used the heart case before, that you have a heart case requiring tincture of digitalis. Certainly if a man appears in my office with swollen legs and is puffy on exertion, and that sort of thing, and I want to prescribe digitalis I want the best tincture that is available. It is not sufficient just to say tinctura digitalis, because these things are not measured in potency in this country. That is true. It does not seem to be a matter of protecting the doctor or the public in the matter of rating the potent strength of these commodities, the unit strength. Therefore you give them the best possible thing you can buy, and sometimes it costs more.

I listed in the committee for the purpose of explanation a preparation like vitamin B complex. You will pay what you might consider a high price for that preparation, possibly $5 for a hundred tablets made by a highly reputable firm, who place their integrity on the prescription that is on the front of the bottle. But you can buy these from certain wholesale people without any prescription on the bottle for probably a quarter of the price. These people are always very cagey; they never put the prescription or the unit strength on the bottle, but to the public it is all the one thing. They are getting the one drug. These are matters that are worthy of consideration.

I cannot see where any change in the small percentage of resale price-maintained consumer goods that are sold in drug stores is going to be a factor in the cost of living, because it has the advantage of putting a ceiling above as well as a floor beneath, particularly on commodities like drugs. It is not a factor in the cost of living when you come to a bill like this and find that the per capita expenditure in all drug stores on items that are price marked or otherwise over the year 1950 was $16.50 for each person in Canada on drugs, and that includes all the commodities in a drug store. But again I say that if you do consider some of these things as being high in price, nobody is compelled to buy resale price-maintained goods.

The main conclusion in the MacQuarrie report about resale price maintenance certainly is not true so far as I am concerned. I heard the minister talking about cough syrup, back plasters and cough lozenges, but he did not mention Lydia Pinkham. Remember that these things are not prescribed by any doctor who has a reputation he wishes to protect. A reputable doctor in good standing certainly is not going to prescribe Smith Brothers cough lozenges. I ask how you are going to control prices of the so-called proprietary medicines. Naturally I do not hold that proprietary medicines serve a

purpose; being a doctor I cannot feel that they do. But I do say that if the public want to buy them they have the right to do so. Let us take a commodity like Lydia Pinkham's vegetable compound which is marked at $2 and is price-maintained. Where are you going to arrive if you go back to find the value of the drugs in this commodity? These formulas are registered in Ottawa, and that would be easily ascertained. Again I say that I do not want to be put in the position of criticizing these goods, because when you criticize them it sometimes acts as a boost. After all, the public have the right to buy these things if they want to buy them.

I come back again to that matter of quality brands. This afternoon several speakers mentioned this aspect of the problem. There is no occupation where quality brands are more important than that of a druggist. There are two objectives in resale price maintenance. So far as drugs are concerned, the first is the prestige of the manufacturer and the high grade article he puts out. The other objective is the protection of the druggist by assuring him a proper margin. It protects the consumer because the prices are the same in all stores. If it were not for resale price maintenance the small merchant would be at the mercy of the chain drug store.

I have aproached this matter as conscientiously as any person ever could. If this were something that would cut down the cost of living, I would be in favour of it. I have not been convinced that it is going to accomplish that object. I do not believe it is going to make any impact on the cost of living, and the Prime Minister (Mr. St. Laurent) admits that. It is going to destroy the small businesses which are so important in all the towns throughout the country. It is going to kill the small druggist who is furnishing a service in the outlying districts. The larger businesses will probably absorb some of the small merchants. The chain stores and departmental stores will have a big advantage. If resale price maintenance is wrong in so far as the drug trade is concerned, then it has been wrong for a long time. It has taken forty-one years for this to come to the surface. If it is going to be of such tremendous advantage to the public, as a member of the opposition I will say it has taken the government a long time to find out that this practice is harmful to the Canadian consumer. Do not forget that pharmacists are professional men. They should have more protection than will be afforded in the legislation we have before us. Back of that is the question of the health of the Canadian people. In the committee Mr. McGregor almost made a statement—I accused him of saying it and he said the words were put in his mouth—about wiping out the small, inefficient stores. We cannot afford to wipe out the small, inefficient stores.

The druggists have been forced into the position of selling other commodities. Some of them have been forced to sell sandwiches, lunches and in the outlying districts, even groceries. These stores still furnish a service to the community. I have never found a druggist who would not get up at two or three o'clock in the morning to fill a prescription. I dislike the fact that this legislation seems to be aimed at the druggists. I am tired, Mr. Speaker, of hearing people say, "Well, what about aspirin?"

(For translation of the following remarks in French, see pages 2187-8 and 2194-5.)

Mr. Wilfrid LaCroix (Quebec-Montmorency): Monsieur l'Orateur, je serai bref. Permettez-moi seulement de vous dire que je trouve étrange l'attitude des conservateurs en ce qui concerne le bill présentement à l'étude, et il n'est qu'un mot, à mon point de vue, qui puisse synthétiser la politique qu'ils défendent aujourd'hui, après en avoir défendu une différente il y a à peine quelques semaines: "Hypocrisie".

En effet, qui de nous ne se souvient des déclarations de l'honorable chef de l'Opposition (M. Drew), alors qu'il accusait le très honorable premier ministre (M. St-Laurent) d'adopter des procédés dilatoires, de manquer de courage et de céder devant la pression qu'exerçait la haute finance, en décidant de référer ce projet de loi à un comité de la Chambre. Monsieur l'Orateur, ils viennent enfin de montrer leur vrai visage de protecteurs des gros intérêts et de la haute finance.

Je comprends qu'un travail de coulisse considérable s'est effectué en vue d'empêcher l'adoption de ce bill. On prétend que le petit détaillant sera éliminé des affaires; c'est là un des principaux arguments que l'on invoque. Des incidents amusants se sont produits à ce sujet. Un petit marchand a écrit à son député pour lui demander de le protéger et, histoire de donner plus de saveur à son argumentation, il lui faisait parvenir, en même temps, une lettre du manufacturier, dans laquelle il demandait à son client d'écrire à son député, suivant ses indications.

Au contraire, je prétends qu'un petit marchand, dont les frais d'administration sont peu élevés, pourra plus facilement faire concurrence à qui que ce soit.

D'ailleurs, si un grand magasin à succursales tentait de vendre certains articles à perte ou suivant des procédés peu recom-

mandables, on n'aurait qu'à appliquer avec rigueur l'article 498A du Code criminel, lequel prévoit ces cas.

On prétend que la nouvelle législation n'est pas nécessaire. Alors pourquoi le *rapport MacQuarrie*, et que dire de l'opinion d'un économiste aussi éminent que le principal de l'université Queen's et pourquoi aussi l'enquête Stevens? Tous se souviennent que M. Stevens a été mis à la porte du cabinet Bennett parce qu'il insistait pour qu'on suive la même politique à l'égard de ces grands monopolisateurs des prix et du coût de la vie.

De plus, pourquoi les manufacturiers et les distributeurs, qui s'opposent avec tant d'énergie à la régie des prix, en général, auraient-ils le privilège d'exercer une maîtrise spéciale, à leur profit, et seraient-ils même autorisés à punir les réfractaires, qui vendent à un prix inférieur à celui qui leur est indiqué par le manufacturier, en refusant de leur vendre toute marchandise?

Voici d'ailleurs ce qu'on lisait à ce sujet dans le journal *l'Evénement* de Québec, lundi le 10 décembre 1951:

> Fidèle à l'engagement qu'il avait pris, de suivre l'avis d'une commission parlementaire sur la fixation des prix par les manufacturiers ou les grossistes, le gouvernement propose une loi pour interdire ce contrôle non officiel. C'est un pas dans la bonne voie. L'opposition annonce qu'elle combattra cette mesure. Ainsi donc, après tant de discours de son chef en faveur d'une régie des prix et de la distribution équitable des vivres, le partie conservateur ne veut plus que l'autorité intervienne dans les affaires. C'est une contradiction à noter. Dans cette fausse position, les partisans du colonel Drew posent en champions de la liberté du commerce. Mais la liberté du commerce consiste, semble-t-il, à laisser aux marchands détaillants le soin de vendre leurs marchandises à leur convenance. L'opposition ne l'entend pas de cette façon. Elle perd donc le crédit de ses campagnes oratoires en faveur de la fixation des prix par le gouvernement. En effet, si le gouvernement décide enfin de protéger le consommateur par intervention législative, sa loi de contrôle s'appliquera à tous les producteurs de l'industrie ou de l'agriculture. Selon toute apparence, l'opposition approuverait alors le principe de cette mesure, à condition qu'elle ne s'appliquât point à la fixation des prix par les manufacturiers ou les grossistes. Quelle belle occasion pour le gouvernement de confondre ses adversaires, en donnant satisfaction au peuple qui compte sur lui pour obtenir protection contre tous les profiteurs. Pourquoi remettre à plus tard une action aussi nécessaire au bien-être des classes laborieuses!

Trois enquêtes ont démontré que le public était exploité honteusement par le privilège qu'avaient les grands manufacturiers de fixer le prix de vente au détail de leurs marchandises; et malgré cela, les conservateurs trouvent moyen de se faire les défenseurs de ces exploiteurs de la grande masse des consommateurs canadiens.

[Mr. LaCroix.]

Permettez-moi, monsieur l'Orateur, de leur dire bien en face qu'ils sont des farceurs; farceurs, en effet, lorsqu'ils présentent des motions à la Chambre, protestant contre l'augmentation du coût de la vie, pour ensuite s'opposer dès que l'occasion s'offre d'en abaisser le niveau; farceurs, lorsqu'ils préconisent la régie des prix et que, lorsqu'une occasion se présente de permettre au peuple de régir lui-même les prix en laissant à la libre entreprise et à la libre concurrence l'occasion et le privilège de s'exercer en toute liberté, ils s'y opposent; farceurs, en effet, lorsque le parti conservateur réclame la régie des prix par le Gouvernement et veut, en même temps, la laisser entre les mains des manufacturiers; farceurs, lorsqu'ils parlent d'inflation et s'opposent à l'adoption d'une mesure qui permettrait d'en diminuer l'ampleur; farceurs, lorsqu'ils parlent de protéger le public contre l'exploitation des gros intérêts et que, l'occasion se présentant de permettre à ce même public d'acheter les produits et les objets indispensables à l'existence à prix convenables, ils veulent l'empêcher de ce faire, comme nous en avons la démonstration dans ce débat.

Le parti conservateur a peut-être gagné des élections partielles jusqu'à maintenant, en prêchant contre la hausse du coût de la vie, mais, aujourd'hui même, il se montre au public canadien sous son vrai jour, et sonne le glas de son succès électoral.

Monsieur l'Orateur, qu'il me soit permis de féliciter le Gouvernement de l'attitude courageuse qu'il a adoptée, malgré l'influence de la haute finance. Il a démontré, une fois de plus, que le parti libéral, sans avoir atteint la perfection, est cependant de beaucoup plus près du peuple que les conservateurs.

Quant au parti conservateur, il vient de démontrer, une fois de plus, son incapacité à comprendre les vrais intérêts de la grande masse des consommateurs, que constitue la population de ce pays.

En outre, il prouve aujourd'hui comme toujours, qu'il a les yeux largement ouverts sur ceux qui alimentent sa vaisse électorale et fait seulement semblant d'avoir un oeil entr'ouvert sur le peuple canadien.

(Translation):

The wage-earner, the man with a set income and the farmer know how much they have to pay for medicine when, unfortunately, some illness strikes their family, or else for those items which are essential to the running of a farm or to the very life of the home. They are not likely, therefore, to forget this unfortunate attitude of the Tory party.

The people have been sufficiently exploited by the middleman, to the advantage of certain monopolies. It was time the government acted and I congratulate it on having done so.

(Text):

Mr. Speaker, may I repeat in English what I have already said in French. I will be brief. Allow me to say that I find the attitude of the Conservatives toward this bill rather strange, and that there comes to my mind but one word which can, from my point of view, adequately express the policy they advocate today after having advocated a different one a few short weeks ago. That word is "hypocrisy".

Is there anyone here who has forgotten the statements made by the leader of the opposition (Mr. Drew) who was then charging the Prime Minister (Mr. St. Laurent) with adopting dilatory tactics, lacking courage and giving in to moneyed interests by deciding to refer this bill to a committee of the house? At last, Mr. Speaker, the Conservatives have shown their true colours as protectors of powerful interests and high finance.

I understand there has been considerable lobbying in an effort to block passage of this bill. One of the main arguments brought forward is that this will mean the end of the small retailer. Some amusing incidents have taken place in this respect. A small merchant wrote to his member of parliament to ask for his protection. To add flavour to his argument he sent him a letter he had received from the manufacturer, in which the latter asked him to write to his member of parliament according to his suggestions.

On the contrary, I suggest that a small shopkeeper whose overhead is not very high can more easily compete with anybody.

Mr. Drew: Mr. Speaker, in view of the rule you have followed on different occasions, I should like to ask whether the speech which is being read by the hon. member was prepared for the hon. member for Leeds (Mr. Fulford).

Mr. Fulford: What would I have to do with it?

Mr. LaCroix: I myself do not even know the hon. member for Leeds.

Mr. Knowles: Pink pills.

Mr. LaCroix: Besides, if a large chain store were to attempt to use certain articles as loss leaders or to follow certain discriminatory practices, the only thing to do would be rigidly to enforce section 498A of the Criminal Code, which provides for such cases. Mr. Speaker, may I tell the leader of the opposition that I, like him, do not need anybody to prepare my speech.

Mr. Drew: The hon. member might deliver it without reading it.

An hon. Member: In both languages?

Mr. LaCroix: It is claimed that the new legislation is not necessary. What is the meaning, then, of the MacQuarrie report and of the opinion given by so eminent an economist as the principal of Queen's university; and also why the investigation by Stevens who was dismissed from the Bennett cabinet because he insisted on the pursuance of the same policy for these great monopolists of prices? In addition, why should those manufacturers and distributors who so strongly object to price control have the privilege of operating their own private system of controls, and even be authorized to punish, by refusing to sell them any goods, rebel merchants who sell at a price lower than that fixed by the manufacturer?

Mr. Drew: Ten o'clock.

Mr. LaCroix: As a matter of fact, this is what the Quebec newspaper *L'Evénement* had to say about the matter in its issue of Monday, December 10, 1951:

> In keeping with its undertaking to follow the recommendations of a parliamentary committee on price maintenance by manufacturers or wholesalers, the government is introducing a bill to outlaw this unofficial control. It is a step in the right direction. The opposition makes known its resolve to oppose that measure. Thus, after so many speeches from its leader on behalf of price control and a fair distribution of provisions, the Conservative party no longer wants the authorities to interfere with business. It is a contradiction to be noted. By taking this false stand, the supporters of Colonel Drew set themselves up as champions of the freedom of trade. But the freedom of trade apparently consists in letting retailers sell their goods as they please. The opposition does not see it that way. It therefore loses its credit for its oratorial campaigns on behalf of government price control. As a matter of fact, if the government finally decides to protect the consumer through legislation, its control legislation will apply to all industrial or agricultural producers. It would seem that the opposition would then approve the principle of this measure provided it did not apply to price maintenance by manufacturers and wholesalers. What a wonderful opportunity for the government to confound its opponents by satisfying the wish of the people who rely on it for protection against all profiteers. Why postpone a step so necessary to the welfare of the working class?

Three inquiries have shown that the public were being shamefully exploited by reason of the large manufacturers' privilege of resale price maintenance. Yet the Conservative party has managed to stand for those exploiters of the great bulk of Canadian consumers. Mr. Speaker, may I say to their faces in this house that they are humbugs—

Some hon. Members: Order.

Mr. LaCroix: Humbugs!

Mr. Speaker: Order: It is ten o'clock.

Mr. LaCroix: Let me finish. I can do so in two minutes.

Some hon. Members: No.

Mr. LaCroix: —humbugs, when they introduce motions in this house protesting against the rising—

Some hon. Members: Order.

Mr. Speaker: Order. It is ten o'clock; and unless there is unanimous consent—

Mr. Casselman: The word "humbug" is not parliamentary.

Mr. Speaker: I do not think the hon. member applied the word "humbug" to any member in the house.

Mr. Casselman: Yes, he did.

Mr. LaCroix: I only applied it to their policy—humbug.

Some hon. Members: Order.

Mr. Speaker: Order. As it is ten o'clock, without unanimous consent I cannot allow the hon. member to continue.

Mr. Casselman: No.

Mr. Speaker: Order.

Mr. Pouliot: Move the adjournment of the debate.

On motion of Mr. LaCroix the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue consideration of this Bill No. 36; then the resolution of the Secretary of State for External Affairs to approve the accession of Greece and Turkey to the North Atlantic Treaty Organization. Then if possible we will proceed with all the remaining items on the order paper, but I am not in a position to say in which order.

Mr. Adamson: Is there any new legislation?

Mr. Fournier (Hull): Not that I know of.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Wednesday, December 19, 1951

The house met at eleven o'clock.

NATIONAL DEFENCE

IDENTIFICATION FOR SOLDIERS ON LEAVE IN NATO COUNTRIES

Hon. Brooke Claxton (Minister of National Defence): I should like to supplement an answer I gave yesterday to the hon. member for Peel (Mr. Graydon) regarding the issue of passports to Canadian soldiers overseas. I find that the identification certificates which are issued to the soldiers are accepted by the countries concerned when they move in formation or on duty, but so far we have not succeeded in making arrangements for them to accept the identification cards when they are on leave. We are continuing to make efforts to secure that acceptance. They have agreed in principle but have not put it into effect.

The question of the charges for passports is being looked into. The number is quite small as I think only in the neighbourhood of fifty have been issued so far. They are issued by our consular staff in Germany.

Mr. Rodney Adamson (York West): Are the troops paid in United States scrip or sterling scrip?

Mr. Claxton: They are paid in scrip which can be used in Germany, but I could not say whether it is United States or sterling scrip. I shall have to look into it.

QUESTIONS

CANADIAN NATIONAL RAILWAYS—CONSTRUCTION OF LINE TO LYNN LAKE

Mr. Catherwood:

1. Is the construction of the Canadian National Railways line to the Lynn Lake area going ahead on schedule?
2. When will this construction be completed?
3. What is the total estimated cost of this line?

Mr. Benidickson: The Canadian National Railways advise as follows:

1. Yes.

2. Estimated date of completion is October 31, 1953.

3. Estimated cost mentioned in act of parliament as passed on June 20, 1951, was $14,725,000. Actual final cost will depend upon the trend of costs experienced in railway construction projects and the urgency of having the line completed before production at the mine is commenced in 1954.

NATIONAL REVENUE—TAX DIVISIONS—DISMISSAL OF EMPLOYEES

Mr. Diefenbaker:

1. How many (a) permanent employees; (b) temporary employees, have been dismissed for cause or removed from their positions in the income tax or corporation tax divisions of the Department of National Revenue in (i) Montreal; (ii) Toronto; (iii) Winnipeg, since January 1, 1950?
2. How many of such employees had (a) 15 years service or more; (b) 10 to 15 years service; (c) 7 to 10 years service; (d) 3 to 7 years service?

Mr. McCann:

		Montreal (i)	Toronto (ii)	Winnipeg (iii)
1.	(a) Permanent	174	42	19
	(b) Temporary	518	230	24
2.	(a) Permanent	1	Nil	Nil
	Temporary	Nil	Nil	Nil
	(b) Permanent	16	2	4
	Temporary	1	Nil	Nil
	(c) Permanent	53	19	12
	Temporary	18	2	4
	(d) Permanent	101	21	2
	Temporary	340	133	1

MOTOR VEHICLES SEIZED IN TRANSPORTATION OF SMUGGLED CIGARETTES

Mr. Nowlan:

How many motor vehicles have been seized and forfeited during each of the calendar months of 1951, for alleged use of such motor vehicles in the transportation of cigarettes in violation of the Customs Act?

Mr. McCann:

January, 7; February, 5; March, 7; April, 7; May, 5; June, 13; July, 12; August, 15; September, 13; October, 15; November, 17. Total 116.

LEGAL FEES IN PROSECUTION OF MR. WOOD

Mr. White (Middlesex East):

1. How much has been expended to date for legal fees and disbursements in (a) trial before a magistrate; (b) appeal to the county court; (c) appeal to the court of appeal, Manitoba, in the prosecution of Mr. Wood, for an alleged offence against the provisions of the Unemployment Insurance Act?
2. Are any further accounts due, or owing, for legal fees and disbursements? If so, what is the estimated amount due?
3. What is the amount allegedly due by Mr. Wood originally?

Questions

Mr. Cote (Verdun-La Salle):

1. (a) Legal fees and disbursements of unemployment insurance commission counsel, $66.20; costs of defence, nil; (b) Legal fees and disbursements of unemployment insurance commission counsel, $69.60; costs of defence, nil; (c) Legal fees and disbursements of unemployment insurance commission counsel, nil.

2. Legal fees and disbursements of unemployment insurance commission counsel, estimate not exceeding $250. Costs of defence counsel before all courts claimed at $150

3. The offence was that the accused had failed to comply with section 74 (3) of the Unemployment Insurance Act. No amount was mentioned in the charge.

The unemployment insurance commission explains as follows:

Mr. Wood, the defendant in the case, operates a real estate and tourist cabin business. Employment in that business is insurable under the Unemployment Insurance Act. The commission has experienced considerable difficulty in obtaining Mr. Wood's co-operation in the matter of making the requisite contributions to the U. I. fund, for and in respect of his employees.

Auditors of the commission have found it necessary to call on Mr. Wood several times and, on four such occasions, found him delinquent. In July, 1947 he was in default in the amount of $111.69; in August, 1948, $16.05; in August, 1949, $17.60; and in July, 1950, $5.76.

In addition to the calls made by the auditors, many letters have been written to him by the commission. Indeed, at the time of the 1949 audit he informed the auditor that he would not obtain insurance books for his employees or pay contributions in respect of an employee who was working as a carpenter. After a specific demand was made upon him to obtain books and insure the carpenter, he complied.

It is the duty of the commission to see that all contributions due to the fund are made. Default or delay in payment creates many problems, one of which is that the employees or former employees of the delinquent employer lose their rights, or part of them, when they become unemployed and seek unemployment insurance benefits. In other words, in such cases the records of the commission do not show all the entitlement of the worker; indeed, in some instances, the worker is unable to show right to any benefits because of the default of the employer. It will therefore be realized how important it is to insist upon and receive full compliance in the matter of payment of contributions.

[Mr. White (Middlesex East).]

GRANT FOR DEVELOPMENT OF INTERNATIONAL PEACE GARDEN

Mr. Knowles:

1. Has there been announced an intention not to renew in the 1952-53 estimates the grant of $15,000 in aid of the development of the international peace garden in Manitoba?

2. If so, by whom and when, and why is such grant to be discontinued?

3. Have protests against discontinuing this grant been received by the government at any time in 1951? If so, from whom?

4. Is consideration being given to these protests?

Mr. Winters:

1 and 2. In a letter dated December 13, 1950, the Minister of Resources and Development informed the Hon. D. G. McKenzie, president, International Peace Garden, that provision would be made for a grant of $15,000 in the 1951-52 estimates but that because of the government's heavy defence program and the resulting necessity to curtail other expenditures, it was most unlikely that a grant could be made for the fiscal year 1952-53. In a letter dated October 24, 1951, Mr. McKenzie asked that the grant again be extended, and in reply on November 6, 1951, the Minister of Resources and Development referred to his previous letter of December 13, 1950, and expressed his regrets that because of the reasons stated therein, it would be most difficult to recommend the grant for the fiscal year 1952-53.

3. Several members of parliament and other citizens have requested that provision again be made for the grant in the estimates for the fiscal year 1952-53.

4. Answered by Nos. 1 and 2.

CUSTOMS BUILDING, PEACE GARDEN GATES

Mr. Knowles:

1. Has the government received at any time since January 1, 1951, representations for the erection of a new customs building at the peace garden gates on the Manitoba-North Dakota boundary?

2. If so, is consideration being given to this request?

3. Has a favourable decision yet been reached?

Mr. Fournier (Hull):

1. Yes.

2. Yes.

3. Matter under consideration.

QUESTION PASSED AS ORDER FOR RETURN

PRAIRIE FARM REHABILITATION—SASKATCHEWAN —EMPLOYEES

Mr. Argue:

1. What are the names of all persons employed under the Prairie Farm Rehabilitation Act in Saskatchewan during the first ten months of 1951?

2. What sum of money was paid to each of these persons as (a) salary or wages; (b) sustenance; (c) mileage; (d) other allowances?

INQUIRY FOR RETURN

ARMED FORCES—ENLISTMENTS—EXPENDITURES FOR RECRUITING AND PUBLICITY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): On November 12 a question of mine having to do with the number of recruits and the extent of recruiting was passed as an order for return, as indicated on page 903 of *Hansard*. I made inquiry about this before and I should like to ask that it be expedited so that it can be brought down before the end of the session.

Hon. Brooke Claxton (Minister of National Defence): That will certainly be done. I have seen a draft of the answer and I know that it is on the way.

KOREA

INQUIRY AS TO CANADIANS HELD BY COMMUNISTS

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Minister of National Defence if he has any information in addition to that which has appeared in the press with respect to Canadian prisoners of war held by the communists in Korea?

Hon. Brooke Claxton (Minister of National Defence): I have not. There are five Canadian soldiers who unfortunately are missing but we do not know whether any of them are prisoners of war.

Mr. Graydon: I understand that one man from Hamilton is listed as a prisoner of war in the exchange of information.

Mr. Claxton: That is correct, but we have not had that information officially from Korea as yet. We do not know about any others.

PUBLIC SERVICE

PREVAILING RATES EMPLOYEES—INQUIRY AS TO PAY INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker I should like to direct a question to the Prime Minister arising out of his announcement on Friday last regarding pay increases for the civil service and other government employees. Is consideration being given to an immediate review of the position of prevailing rates employees such as might lead to an increase for them comparable to the increase which is being given to classified civil servants?

Right Hon. L. S. St. Laurent (Prime Minister): My understanding is that these prevailing rates are reviewed yearly. I cannot say from memory when the last review took place but it is a continuing process and the effort is to keep the prevailing rates employees on a par with those in private employment doing the same kind of work.

Mr. Knowles: I wonder if the Prime Minister would permit me to express the hope that any changes that are made might be effective from the same date, namely, December 1, 1951.

CAPITAL COST ALLOWANCES

DEFERMENT—INQUIRY AS TO CUT-BACK IN CAPITAL EXPENDITURE

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): The hon. member for Greenwood asked me a series of questions on December 17 about the effect of various government measures upon capital expenditure in Canada. As I said at the time, he is really asking me to read the minds of our businessmen who have not done things they might have done. My answer can only be in the most general terms. In the first place, I do know from personal contact with businessmen that deferred capital cost allowances have influenced investment decisions in a number of cases. But, of course, one cannot make statistical calculations on the basis of that kind of evidence.

It should be borne in mind in trying to assess the effects of the deferment of depreciation that such deferment does not apply generally. There are a number of exemptions set forth in the regulations, and the Minister of Trade and Commerce is authorized to issue certificates entitling the taxpayer to current allowances where the properties are being acquired for carrying on certain basic industries listed in the regulations, and where the investment makes a direct contribution to the defence effort. In other words, the policy is selective in character and that is the way it is working.

As a means of getting some general impression of the way the policy is working, I asked the officers of my department to compare the estimates of 1951 capital expenditure with those for 1950. With the permission of the house I should like to put the table on *Hansard*. It is necessarily a very tentative analysis and is subject to revision when later

and more up-to-date information is available. The table is as follows:

	Per cent change in the volume of investment, fall estimate 1951 over 1950
Total private and public investment	+ 7
Capital expenditures not subject to income tax	+ 3
Capital expenditures subject to income tax	+11
Capital expenditures eligible for capital cost allowances without certificate of eligibility	+ 2
Capital expenditures eligible for capital cost allowances subject to the issuance of a certificate of eligibility[1]	+83
Capital expenditures not eligible for capital cost allowances[1]	— 8

[1]These estimates were made before the recent amendment embodied in order in council P.C. 6384, which enables the Minister of Trade and Commerce to issue certificates for structures under construction as of April 10, 1951, and properties which the taxpayer was obligated to acquire at that date.

The table shows that where capital expenditures are assumed to be eligible for a certificate there is an increase of over 80 per cent in volume between 1950 and 1951, whereas in those cases where the taxpayer is likely to be subject to deferment of allowances, unless he had a commitment to purchase on April 10, 1951, or was in course of construction, there is a decrease of 8 per cent in volume.

I am not suggesting that deferred capital cost allowance, which has been in effect for only eight months, is the main or only reason for these results. That may be due also in part to other government measures to which the hon. member referred, or perhaps to factors which have nothing in particular to do with government policy. All that I can say with any certainty is that the various measures we have taken to curb inflationary pressures seem to be working in the right direction.

HOUSE OF COMMONS

REQUEST FOR ENGLISH "HANSARD" INDEX

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I do not want to be harping on any subject matter but as chairman of the debates committee I ask you, sir, to take the necessary steps so that the majority of my colleagues may receive as soon as possible the index for English *Hansard* of 1950 as well as the one for this session. If those who are supposed to have been working on it have not done a satisfactory job, please see to it in the interests of all that they are replaced at the earliest possible opportunity by competent people.

Mr. Donald M. Fleming (Eglinton): On a question of privilege, Mr. Speaker, I think that kind of question should not be made the occasion of an inferential attack upon the efficiency of those charged with this work. I think every member who has contact with that office appreciates the competence of the debates staff and of those charged with the responsibility for preparing the index. It is a very great task. Apparently what is needed is assistance and not criticism of those already employed.

Mr. Pouliot: I am not allowed to discuss it, but my friend as usual is wrong.

Mr. Fleming: I am willing to be judged by the correctness of what I have just said.

Mr. Speaker: Order. We have had the views of both hon. members. I shall be pleased to look into the question and endeavour to have the index in the hands of members as soon as posible.

UNITED STATES SELECTIVE SERVICE

CANADIANS WORKING IN THE UNITED STATES—IMMIGRATION VISAS

On the orders of the day:

Mr. D. F. Brown (Essex West): I should like to address a question to the Secretary of State for External Affairs or to such other member of the government as it may concern. I regret I have not given notice. Are Canadian citizens working in the United States to be subject to the United States draft law, as reported in the newspapers?

Hon. L. B. Pearson (Secretary of State for External Affairs): As it happens, I have some information on that subject.

Mr. Gauthier (Portneuf): Mind reader.

Mr. Pearson: I anticipated a question of this kind.

Mr. Fleming: A crystal ball.

Mr. Pearson: Reports appearing in this morning's press incorrectly indicate that there has been a radical change in United States policy affecting Canadian citizens who reside in Canada but work in the United States. This is not the case. Since the introduction of the selective service act all male persons residing in the United States have been liable to call-up under the United States draft law. Up to June 19 of this year an alien residing in the United States might claim exemption on the ground that he was an alien and exemption would be granted to him under forfeiture of his

right ever thereafter to become a citizen of the United States. By amendment to the selective service act on the date stated this privilege of exemption previously granted to aliens was rescinded.

The specific position with regard to Canadians living in Canada and working in the United States seems to centre about Detroit and Windsor. No person can be admitted to the United States for the purpose of engaging in paid employment in that country unless he is granted an immigration visa. It is not material to this issue where he may happen to sleep. All persons who are admitted to the United States for the purpose of engaging in paid employment are presumed to be "residing in the United States" for the purposes of the selective service act. Therefore there can be no question that under the terms of the United States selective service act Canadians who live in Windsor but work in Detroit under an immigration visa are liable to be called up under the United States selective service act in precisely the same way as United States citizens.

Mr. Coldwell: What was the effect of our selective service act during the war? Was it not done in consultation between the two governments?

Mr. Pearson: Yes, there was consultation during the war in regard to the application in either country of selective service laws of the other. The situation is not quite the same now.

Mr. Coldwell: There has been no consultation with respect to this matter between the two governments?

Mr. Pearson: I would have to look into that.

Mr. Coldwell: Since this seems to be a procedure taken unilaterally with regard to Canadian citizens, should not some representation be made to the United States government on the matter?

Mr. Pearson: I doubt whether this procedure was taken unilaterally regarding Canada. I am sure it applies to all living in the United States, and not only to Canadians. I am not sure whether we have or have not made representations on the subject, but I shall be glad to look into that.

Mr. Coldwell: I mean unilateral action on the part of the United States with respect to Canada and not with respect to other nations.

Mr. Rowe: I should like to ask the minister whether students and short-term employees cannot go to the United States unless they take out immigration papers. A number of students have taken positions in, we will say, Washington, and other places, in their university years. This has been temporary employment.

Mr. Pearson: The Canadians I have been talking about are those who are working in the United States on immigration visas. The situation would be different in regard to a great many of our students over there.

Mr. Graydon: I take it that my hon. friend from Windsor—

Mr. Brown (Essex West): Essex West.

Mr. Graydon: Yes, Essex West. His name is so well known that the name of his constituency is forgotten. In the case of temporary lay-offs in Windsor, where someone goes across for temporary employment in Detroit, would they be subject to the draft law?

Mr. Pearson: Only if they are in the United States on immigration visas. If they are in the United States on immigration visas they are subject to the United States selective service law. Normally, no one can go from Canada to work in the United States, except under immigration visas. There may be exceptions in the case of temporary employment. I am not sure, but I will look into it.

Mr. Adamson: Are those persons who are being recruited by the very large recruiting drive now going on by some of the American manufacturers required to have immigration visas before they can work? For instance, Ford is looking for five hundred mechanics in the Toronto area at this time. Do they have to have immigration visas?

Mr. Pearson: I understand they must have immigration visas if they are working in the United States.

Mr. Noseworthy: Mr. Speaker, some time ago it was reported that members of the cabinet had proceeded to Washington to negotiate with the Americans the terms under which Canadians could get work in the United States. Has the government any information as to what those terms are?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I can assure my hon. friend that no cabinet minister went to Washington for that purpose, and no official negotiations were taken to that end.

COMMUNICATIONS

TELEGRAPH AND RADIOTELEPHONE RATES—INQUIRY AS TO ADJUSTMENT

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to direct a question to the

Minister of Transport. I have not given him notice but I hope he will be as well prepared to answer as the Secretary of State for External Affairs. I should like to know if any consideration has been given to the question of adjusting telegraph and radiotelephone rates between the other provinces and Newfoundland to bring them in line with rates prevailing on this side of the Atlantic.

Hon. Lionel Chevrier (Minister of Transport): That is hardly a question that could be answered without notice. As my hon. friend knows, telephone rates are under the jurisdiction of the board of transport commissioners. I would have to inquire whether or not an application to adjust them has been made to the board. In any event I will have to look into the matter and give an answer later.

EXTRADITION

SIGNING OF TREATY WITH THE UNITED STATES

On the orders of the day:

Mr. Rodney Adamson (York West): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. Is the extradition treaty which has been so much discussed being signed, or is it in process of being negotiated at the present time?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I tabled the treaty after it was signed, and explained to the house that it was not the intention of the government to propose to the house a resolution for ratification until it had been ascertained whether or not it was going to be ratified by the Senate of the United States.

Mr. Adamson: But this house will have an opportunity to debate it?

Mr. St. Laurent: Yes; this house will have an opportunity to debate it. The document itself was laid on the table several weeks ago.

AGRICULTURAL PRODUCTS BOARD

TO PRESCRIBE THE CONSTITUTION AND POWERS OF THE BOARD, ETC.—CONCURRENCE IN SENATE AMENDMENT

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 18, to provide for the establishment of an agricultural products board.

Mr. Charlton: May we see the amendment?

Mr. Gardiner: It is just that once a year we make a report to the house on what the activities of the board are.

Motion agreed to, amendment read the second time and concurred in.

[Mr. Browne (St. John's West).]

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed, from Tuesday, December 18, consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Fulton.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I have only a few words to add to what I said yesterday. May I submit to you that, when speaking about the Tory party, in using the word "humbug" I am of course referring to their policy.

So may I say, humbugs, indeed—humbugs in their policy, indeed—when they introduce motions in this house protesting the rising cost of living, and yet object when an opportunity offers to have it brought down.

Mr. Fleming: Would the hon. member permit a question? May I ask him if he believes that the government ought to introduce direct price controls?

Mr. LaCroix: That will improve the situation, and maybe the present bill may well evade other necessary steps; because it is a right step in the direction of slowing down prices which are so much higher right now.

Mr. Fleming: Does the hon. member think that the government ought to introduce price controls, as he has said, and if, as the Prime Minister has said, this measure—

Some hon. Members: Order.

Mr. Fleming: —will not have any effect upon the cost of living—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member for Eglinton has the right to ask a question, if he has the consent of the hon. member who has the floor.

Mr. Fraser: He had the consent.

Mr. Fleming: I was asking if the hon. member believes, as he indicated, that the government ought to introduce—

Some hon. Members: Question.

Mr. Speaker: Order.

Mr. Fleming: —a system of direct price controls, does he not think it humbug to support a government which is not following that policy?

Mr. LaCroix: The government is taking a good step in the right direction; and I much prefer to evade price controls by the manufacturers themselves—who are defended by your party, right now.

Now, I was just saying: Humbugs in their attitude, indeed, when they introduce motions in this house protesting the rising cost of living and yet object when an opportunity offers to have it brought down.

Humbugs, in their policy, when they advocate price controls and yet object when an opportunity is given them to let people control prices themselves, by giving full scope to free enterprise and free competition.

Humbugs—

Mr. Fleming: Humbug!

Some hon. Members: Humbug!

Mr. LaCroix: Humbugs in their policy, indeed, when the Conservative party clamours for government price control but would leave it in the hands of manufacturers.

And, in answer to my hon. friend's question—

Mr. Fleming: Humbug!

Mr. Fraser: Humbug!

Mr. LaCroix: Humbugs, when they talk of inflation, yet oppose a measure that would check its growth.

Humbugs—

Some hon. Members: Humbug!

Mr. LaCroix: Humbugs, when they talk of protecting the people against exploitation by big interests, for when they have the occasion of enabling these people to purchase goods and products at reasonable prices, they try to prevent them from doing so, as they have demonstrated during this debate.

The Conservative party may have been able, thus far, to win by-elections, by preaching against the high cost of living. But today it has cut short all its chances of ever winning an election, by showing itself in its true light to the Canadian people.

May I be permitted, Mr. Speaker, to congratulate the government on its courageous attitude toward the moneyed interests. It has been shown once again that the Liberal party, although it has not yet reached perfection, is still much nearer the people than the Conservatives.

Mr. Fleming: Humbug.

Mr. LaCroix: As far as the Conservative party is concerned, it has demonstrated once again its inability to see where lie the true interests of the great mass of consumers that make up the population of this country.

Mr. Fleming: Humbug.

Mr. LaCroix: Moreover, it proves today that its eyes are wide open to those who feed its electoral fund, and only pretends to have one eye turned to the Canadian people.

Mr. Fleming: Humbug.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I realize that it is perhaps on the face of it a little bold—

An hon. Member: Louder.

Mr. Macdonnell (Greenwood): Thank you. I am glad you are listening.

I think it is perhaps a little odd for one who was not a member of the committee to step into this fight. Indeed, I do feel just a trifle like a camp follower. We had all the front-line troops in action yesterday, or at least some of them, and I hope we shall hear from more of them today. I hope we shall not merely have the speech of the member for Montreal St. James (Mr. Beaudry), who gave such a fine exhibition last night, but short of his vote. At any rate I am going to suggest that camp followers have their uses.

I had a recollection that the battle of Bannockburn was won by camp followers, and I have some evidence to that effect which I hope will be of interest. It is not very flattering to the English, but I hope this may be of interest to the men of Scottish descent and also, because of the ancient alliance, to those of French descent. In those days we all fought against the English. Briefly, this is a description of the outcome of the battle. The final impetus to the rout of the English was given by a historic charge of the gillies—that is the camp followers—who had been watching from the heights. They charged down the hill blowing horns, waving such weapons as they possessed and holding aloft improvised banners. Their cries of "slay", "slay", seemed to the weary English to betoken the advance of great reserves, and in a few minutes the whole English army broke and fled. I can hardly hope, Mr. Speaker, that I shall have such a dramatic effect on this assembly. At any rate, I put that forward with respect as an indication of the use a humble camp follower may have.

It is difficult to remember it perhaps, but this bill was introduced as a measure which would supposedly have some action on inflation, but that seems to have been left so far in the background now that we are dealing with it purely as it affects the Combines Investigation Act. Nevertheless, I think we should remind ourselves briefly of what was said in the speech from the throne. I quote from page 2 of *Hansard* for October 9, 1951:

> Every measure will be taken which my ministers believe will be effective in counteracting inflation without impairing our free institutions.

Later there is a reference to this particular measure. In spite of this fine introduction

I suggest to you, Mr. Speaker, that the bill has become a foundling. I understand a "foundling" is a child whose parents are unknown and cannot be discovered. While the Prime Minister (Mr. St. Laurent) sponsored the measure, through the speech from the throne, in dignified words, when he came to speak about it—I was going to say he blew hot and cold but that would not be correct because there was no hot, he really just blew cold on it. What he said was this, as recorded on page 41 of *Hansard* for October 15, 1951:

> . . . as regards immediate additional measures to curb inflation, while others may develop, the only one we are prepared to submit at this time is the one that will arise out of this report of the combines committee with respect to resale prices.

Then he said:

> I do not think that is going to have a very substantial effect on the index of the cost of living;...

Having been rejected by the Prime Minister, the bill found itself on the doorstep of the Minister of Justice (Mr. Garson). He seemed to have received very little help from his side of the house, except from the chairman of the committee to whose efforts I shall try to do full justice. The Minister of Trade and Commerce (Mr. Howe), whom we all remember as the guide, philosopher and friend of the Minister of Justice from two years ago when he first became famous in this house, apparently has taken no interest in this matter. We may hope that before we are finished we may have some words from him.

I want to pause for a moment to comment on the fact that the primary objective of the bill was to bring down the cost of living; and, as I say, that seems to have been lost sight of. It is getting smaller and smaller. Everyone who has spoken about that aspect of it has pooh-poohed it to the point where now we almost forget that it was ever in the picture of all. I feel it is desirable—I know the Minister of Public Works (Mr. Fournier) will be interested in this—to point out that this is the third and last of the special hopes that were held out to us in these last months for dealing with inflation. The first hope we had was economy. I am not going to take the time of the house to any greater extent than to remind you that that has gone down the drain. The parliamentary assistant, followed by the minister, has told us, not with sadness as I think they should but with the greatest equanimity, that apparently we must expect nothing from government economy. They prescribe economy for other people, but not for government.

The second great panacea or the second method of reducing prices was high taxes. We were told that they would be painful but they would have a very salutary effect. I want to admit that at one time that was the general belief. This belief has been exploded now because we have developed elements in the community who are so strongly organized that they are able to defeat the purpose of high taxes; that is to say they are able to augment their income enough to offset the taxes. This remedy, therefore, has really passed out of existence. I was interested in observing that no less a person than the president of the Bank of Montreal referred to that in his annual address, and gave his serious opinion that we will have to revise our thinking about the effects of high taxes.

Finally we have this last remedy, and indeed it would be flattering to describe it as even a damp squib so far as inflation is concerned. The best proof of that is that no one has seriously suggested it would be effective against inflation, not even the chairman of the committee. I say, therefore, that so far as anti-inflationary effect is concerned this measure has been weighed in the balance and found wanting. We can consider this bill purely as to its validity in dealing with the question of resale price maintenance, not expecting that it is going to have any considerable effect. The Prime Minister blew cold on it early in the session, and I think it was the chairman of the committee who suggested that there was only one per cent of the products in food stores that were price controlled. At that time he was making another argument, but I think the argument can fairly be used as showing that he does not think it will have much effect in reducing prices.

As I said, I was not a member of the committee so I propose to say very little on the argument which has been made so forcefully that the committee was conducted in an unsatisfactory manner. Anyone checking the high spots of what has taken place could have no doubt but what there was backing and filling, rather as if it were a peculiar shunting yard where the trains go up and down but hardly ever get out.

First of all there was the reference to the speech from the throne, and then the doubtful opinion of the Prime Minister a day or two later. Later still came the explanation by the Minister of Justice. That is extremely interesting because, in effect, he said that they had found there is such a thing as public opinion, that public opinion had begun to assert itself, that it had made an impression upon them, and therefore they had decided that they would have a committee.

When the committee was set up, it appeared to be constituted with the end of taking a

wide view and of trying to deal with this problem on the basis of finding out the truth, even if it took some time. But there was another miscalculation and quite soon—in about a week, if I remember rightly—the committee was limited in its objective because it was found out by this time that this was a difficult matter, a matter of importance, and that really to get at the truth—which some of us feel is important—might take some little time. The operations of the committee were therefore limited and an attempt was made to take a middle course. I suggest that this course is one that would much better be called a muddled course than a middle course because I think what was done was calculated just to make the worst of both worlds.

The idea apparently was that the MacQuarrie report was to be taken as more or less gospel, but it was to be open to people to come along and prove—I think that was the word used by the Minister of Justice (Mr. Garson)—that it was wrong. I think the word "proved" was used. At any rate, that was the general intention, namely that people had to come along and knock the MacQuarrie report down.

That was, of course, something that was difficult to do because in the MacQuarrie report there were no facts; there were just opinions; and, after all, every man is entitled to his own opinion. The result of this negative method was rather odd because it really meant that, in order to save time, the committee were reduced to the position that they would in the main allow evidence only from those people who were against the report. The result of all that was that positive evidence for the views of the MacQuarrie report and for this measure we have before us was given to a strictly limited extent. Hence, when the Minister of Justice came to make his speech, the evidence he gave was scarcely, if at all, taken from the evidence of the committee but was largely the result of investigation made by his own research department. I suggest, Mr. Speaker, that it is small wonder that the hon. member for Eglinton (Mr. Fleming) and others complained vehemently, as they are well entitled to do, against such a method of carrying on the committee.

The second reason that I find it easy to believe that the committee was conducted in an undesirable manner was the speech made yesterday by the chairman of the committee. Last Saturday the chairman of the committee was acting for the Minister of Finance (Mr. Abbott) in guiding through the financial administration bill, and I thought he did a competent and orderly job. I can only wish that yesterday he had adopted the same tactics, because I regard this as a serious subject. I do not think this is a subject to be made the occasion for the kind of histrionic display that we had yesterday; and when I say that, I think it is the least critical thing that can be said about it. The temptation to play to the gallery was strong. I am sure that it is heady stuff—having the large majority, which we hear of so often, faithfully pounding their desks. I think I myself would enjoy it greatly.

Mr. Sinnott: Come on over here.

Mr. Macdonnell (Greenwood): I can only hope that some element of caution would prevent me from going as far as the parliamentary assistant went yesterday.

To speak seriously, Mr. Speaker, I think we are entitled to have the chairman of a committee give a much more balanced report—and that is a conservative statement—than we had yesterday. I think I can remember a good many occasions on which chairmen of committees have tried to indicate the various views that prevailed; but really this committee seemed to me to get to the cloak and dagger stuff in the speech of yesterday; and I thought the parliamentary assistant unnecessarily went far out of his way to sneer at the business community.

I have noted one thing he said which I greatly regret, and I take it that that was the kind of thing that some of my colleagues here have objected to in the committee itself.

Mr. Fleming: Hear, hear.

Mr. Macdonnell (Greenwood): I want to read this because, first of all, it contains a sneer; and then, second, it contains a suggestion as to utterly improper conduct on the part of the business community which, so far as I know and so far as my reading of the evidence goes, was not warranted in any way by the evidence which was given. I read from the speech of the chairman yesterday as reported at page 2147 of *Hansard*:

> If the manufacturers get together in a back room—

You see the idea, Mr. Speaker—the back room. The whole thing at once is shrouded in an atmosphere of criticism and suspicion. To my mind that is not the way in which this thing should be considered. I propose to read a report of the British committee on this subject. They had considerable difficulty. They had criticism to make of resale price maintenance, though on the whole they refused to recommend against it. But what struck me about their report was that they were trying to get at the truth. They were giving both sides. I admit that it was a report; it was not a speech in parliament;

but I do not think that any speech in parliament by a responsible representative, least of all by a responsible person who has been head of an important committee, should descend to this kind of thing.

Mr. Fleming: Hear, hear; either in the house or as chairman of the committee.

Mr. Macdonnell (Greenwood): I will read the quotation from the speech to which I have referred, starting again at the beginning:

> If the manufacturers get together in a back room and decide that such a retail price shall be the official price, that is obviously an illegal combine and it would be up to our efficient combines branch to commence proceedings against them. If all the retailers organized together, that would also be a combine.
>
> Because there would be more of them, it would be that much easier for our combines branch to find out. But if each manufacturer—

And here is the innuendo, Mr. Speaker.

> —tells all his retailers at what price they are to sell, then it is easy for these manufacturers to get together informally . . .

I repeat that so far as I know that was not suggested. It was left for the chairman of the committee, in his speech, to add this innuendo gratuitously. To continue:

> The effect on the consumer is the same, there is artificial fixing of prices . . . That is really the case against resale price maintenance.

I cannot help wondering if that last sentence is exactly what the chairman intended to say because, if I follow his reasoning correctly, he is saying that resale price maintenance includes this horizontal meeting of manufacturers which he has insinuated is the kind of thing that took place. I put forward that interpretation. If there is any escape from it, let us have it; but that is my understanding of it. I regret that that was said. It seems to me a great pity that it should be said by anyone in this house, but most of all that it should be said by a man who had the honourable position of presiding over this important committee and who heard the evidence.

Then there is another thing that the hon. member did which I think is gravely improper. The chairman was not content to give his own opinion; he was not content to give the opinion of other members of the house—which of course he is entitled to do—but he dragged in the civil servant who was acting as clerk of that committee and quoted him.

Mr. Fleming: Shame.

Mr. Macdonnell (Greenwood): I suggest that that is utterly repugnant to our whole practice; that it is dragging in civil servants and making them adjuncts to a party. I suggest further that that is the kind of thing which we have quite often occasion to complain about in this house. It is not the first time it has happened, but I hope it will be the last. I suggest it can only happen when a government has come to the state of affairs of the French king who said "L'état, c'est moi"—I am the state. When you come to the point that you are the state, you are not merely a party in the state, you are not merely the governing party in the state, but you get somewhere beyond that so that even the civil service is a part of the governing party. I feel that is very, very improper. I feel that the clerk of that committee whose name was actually mentioned by the chairman has been put in a very improper and unfair position.

Mr. Sinclair: I want to make it quite clear that in mentioning the extra work done by the clerk of the committee and the king's printer I was not in any way attempting to involve them in the actual policy with respect to the matter being discussed by the committee. It was to show that, having been asked by myself to do everything they could to expedite the ordinary proceedings, the committee reports and the printing, they did all they could. I think all members of the committee were very grateful in having the daily proceedings the following day.

Mr. Macdonnell (Greenwood): The chairman of that committee is entirely wrong if he thinks that is what I am referring to. I did not even notice that, as a matter of fact. I would agree with that of course. What I am referring to is that the parliamentary committee stated the clerk of the committee, the *Hansard* reporters and I think he said other members of the party, stated that they had never heard such convincing evidence.

Mr. Fraser: Such a good witness.

Mr. Macdonnell (Greenwood): Yes. I do not think there is any question about that. I ask the hon. member to look it up in his speech and he will see that he quoted these men as supporting the view, which would be expressing—

Mr. Sinclair: No.

Mr. Macdonnell (Greenwood): There is no question about that. If I am wrong I will be corrected. That is the way I read it. I am saying that in good faith and I do not think I am wrong.

Mr. Sinclair: If I conveyed that impression to the house, then I was doing an injustice to the people mentioned, although I did not mention them by name. What I intended to say, and what I believe I did say, was not whether they were for or against it —it did not matter—but to describe the

actual impact on the committee and on the members of the committee who were there. That was the very phrase used by the hon. member for Kamloops (Mr. Fulton). He said the same thing, that the brief had made a tremendous impact.

Mr. Fleming: Mr. Speaker, on a question of privilege, the *Hansard* for yesterday is not available yet.

Mr. Maltais: Yes, it is.

Mr. Sinnott: Here it is, right here.

Mr. Macdonnell (Greenwood): I am in the midst of making a speech, and I would like to get on with it. If the chairman of the committee finds that I have quoted him unfairly, all right, I will take it back; but that is not the way I read it. I saw his speech and that is the way I read it and I do not think I am wrong.

I suggest that this is a serious matter, Mr. Speaker, and we might try to look at it as serious men and not just toss it backwards and forwards as a political football. I hope I can do that. I am going to quote one or two views of people who are some distance removed from this assembly, and possibly thereby get a little more detachment of view. I am going to quote first of all a man whose name is well known. While business conditions may have changed a little since the days when he was active, I do not think they have changed much. I refer to Mr. Justice Brandeis. He was a well known liberal in the United States. The word is still respectable in the United States, because it has no connotation except the true dictionary meaning. I should like to read one or two things said by Mr. Brandeis because this thing has got so involved, as I say, in party dispute and there have been so many unpleasant suggestions of improper methods that we are in great danger of forgetting what we are really talking about, and Brandeis with his clarity of expression has outlined this matter rather well. Later I wish to go on, as I said a few minutes ago, and read from the British report which shows the pros and cons, which has critical things to say, which knows the decision is a difficult one, but which eventually reaches a decision. Brandeis, in the book called "The Brandeis Guide to the Modern World" by a man called Lief, published in 1941, at page 213 says:

> I think it important that we should develop the right of producers of trademarked articles, growers as well as manufacturers, to establish by contract the price at which their products shall be sold.

And then on the same page:

> The right to fix the retail selling price is not an injury but an aid to business, so far as the particular branch of business is competitive. The cry against retail price fixing is based upon a misconception.

Speaking of the evils of unlimited competition—and I would just like to interject here, Mr. Speaker, for a moment, our socialist friends twit us—and this is a very easy point to make—they say: "You are in favour of competition; all right. Why are you not in favour of all competition? Why are you for and against competition?" Well, that does not bother me terribly. There is such a thing as having too much of a good thing, as we all know, and Brandeis refers to it here, that competition can sometimes produce evils. We all know that. And as far as I can make out, from whatever experience I have had, it happens very often in life. If you take a good thing and press it too far it can do you harm. If you take a whole bottle of medicine when you should take only a spoonful it can do you harm.

I read again from Brandeis what he had to say about ruthless price cutting. He says at page 215:

> It is notorious that one of the methods employed by the Standard Oil Company and other trusts to create and maintain their monopolies has been to cut prices—

And so on. I shortened the quotation, but it is here for anyone to read. Then there is a further quotation which I think comes absolutely to the point; it is right on the target:

> If a dealer is selling unknown goods or goods under his own name, he alone should set the price; but when a dealer has to use somebody else's name or brand in order to sell goods, then the owner of that name or brand has an interest which should be respected.

Lest I forget to say it later, it seems to me there is a great disposition here to forget the most important distinction between the over-all combination in the restraint of trade, which I understand our legislation is directed against; that is to say, where I and fifty other people are manufacturing a certain article and we all get together and fix a price, and the case where I as one of the fifty manufacturers of that article want to sell my article. Now, it is open to me to open shops of my own. Nobody can quarrel with that, but if I do otherwise, if I use other shops to sell my articles, then I submit that at the very least any fair-minded man will say that that is entirely different from the other thing. We have certain objections to the over-all combination, and I shall read from the British report showing that they had other objections. They were forced to the conclusion that they would not recommend against it; in other words, not do what we are being asked to do now. You see, Mr. Speaker, the man who wrote that was trying to get at the truth. He

was not trying to smear the business community. He was not putting the business community in the box and cross-examining it the way I am told it was done in this committee; and as I say, after listening to the speech yesterday of the hon. member for Coast-Capilano (Mr. Sinclair), if the conduct of the committee resembled in the faintest degree that speech he made yesterday, then I would say it was entirely and absolutely improperly conducted.

Mr. Fleming: It was.

Mr. Macdonnell (Greenwood): I want to turn to this part of the British report. Mr. Speaker, I now have yesterday's *Hansard*, and I think I should put on the record the exact words of the hon. member for Coast-Capilano (Mr. Sinclair) so that there will be no doubt whatever as to the quotation that I gave. He was speaking of Mr. McGregor's evidence, and I quote from page 2152 of *Hansard* of December 18 as follows:

> In the experience of the oldest committee clerk in this house, the oldest reporters in this house and the oldest members of parliament who heard his evidence through, they say that never had a more objective and more powerful brief been presented to a parliamentary committee.

I think that bears out fully what I said and I shall not weary the house by repeating my comments on it. I think it is a most dangerous practice and I think it is one of the things which happen, unless they are carefully on their guard, to people who retain power a long time. There is a great danger of their coming to regard themselves as demi-gods. As far as I can make out, when you come to be a demi-god a lot of things happen. There are, of course, some people who do not give way to that kind of thing.

I should like to quote from the British report because, as I say, the impression you get from that report is that they are actually trying to find out the truth. Often that seems desirable. They tried to look at both sides of the case and I shall try to quote both sides and what they said. They did not pretend that it was open and shut and they found great difficulty in reaching their conclusions. First I should like to quote from page 4 of the report of the committee on resale price maintenance of June, 1944, as follows:

> 19. The representatives of the various women's organizations who gave evidence before us were, without exception, strongly in favour of branding. They found it convenient when shopping not to have to examine everything they bought in order to assess its quality; they had found that the containers in which branded goods are normally sold—

I am not reading all of that. It may be that there are other things which I should read, but my time is running out and I want to refer to the opposite side so that there will be no question. Another paragraph reads:

> 23. We have therefore assumed that manufacturers will continue increasingly to mark goods in such a way that the consumer may trace their original source. We have also assumed that, although there may be incidental disadvantages or abuses, the system by which manufacturers purposely differentiate their products from those of other manufacturers—

They do not seem to think that they are in the back room together.

> —and actively promote their sale by advertisement and other means, is not, generally speaking, in conflict with the public interest.

Then on page 11 is a section headed "opposition to resale price maintenance", and I quote:

> 51. Fixed prices for branded articles thus prevent certain advantages to manufacturers, distributors and consumers alike, and the arguments in favour of the system which we have reproduced above are based on years of experience. They are not, however, supported by all parties and the undesirability of variations in retail price is by no means universally acknowledged.

My time is running out and I shall have to shorten these quotations. On page 15 there is another section I should like to read as follows:

> 70. The extent to which fixed margins will operate adversely to the public interest must in our view largely depend upon the proportion of goods to which they apply and the rigour with which they are maintained.

Then there is a reference on page 17 to loss leaders, which they consider most seriously but which I shall not attempt to deal with. I come now to the recommendations to be found on page 33. Here again there are several sections which I shall not have time to read and which point out the difficulties. Do not let it be thought that I am suggesting that these people were wholeheartedly in favour of this. I have only time to read the two operative clauses, as follows:

> 163. We recommend that no action should be taken which would deprive an individual producer—

That is defined as including manufacturer, wholesaler, grower, importer, etc.

> —of the power to prescribe and enforce resale prices for goods bearing his name.
>
> 167. We therefore recommend that steps be taken to render illegal the application of sanctions which extend beyond the remedies open to an individual producer for any breach of resale price maintenance conditions.

As I understand it, they are against manufacturers getting together, but they approve of one man doing this. I should like to note what Mr. Henry Smith said, and this was referred to yesterday by the hon. member for Rosetown-Biggar (Mr. Coldwell). He was a member of the committee and he certainly

had great reservations because he was troubled about it. In the first paragraph of his note he said:

I support the recommendations adopted by my colleagues, as I consider that they represent a marked advance from the present position.

That is to be found on page 34. He indicates that he was troubled.

Mr. Garson: I wonder if my hon. friend would read the first sentence of the next recommendation by Mr. Smith.

Mr. Macdonnell (Greenwood): It reads:

In my opinion the criticism of resale price maintenance which some of our witnesses presented, and which is set out in the report, is entirely convincing. Whether enforced by an individual manufacturer or by a trade association, it inevitably leads to retail prices being higher than they would otherwise be in areas and under conditions where distribution costs are low, and to an unnecessary proliferation of retail outlets. The recommendations of our report, if adopted, will lessen these evils; but will in my opinion only remove them if it proves impossible for resale price maintenance to be operated without the support of trade associations.

All I am saying is that this man who had all those difficulties nevertheless went along with this report, and he explains why he did it. He went along with that report in spite of his difficulties because he realized the situation that existed. I never suggested that there were not difficulties; I am only trying to get at the truth.

Mr. Garson: My hon. friend will realize that it did not prove possible for them to operate resale price maintenance without the assistance of the trade organizations.

Mr. Macdonnell (Greenwood): I am perfectly content to let the record stand.

Mr. Garson: When the opportunity comes I shall add a little to it.

Mr. Macdonnell (Greenwood): The hon. member for St. James (Mr. Beaudry) made a most interesting speech last night when he had some interesting things to say about various matters. He seemed to think that there was a great deal of make-believe. He did an adequate job and I do not propose, as I had intended to, dealing with the McGregor evidence except for one thing. I should like to point out what Mr. McGregor said when referring to loss leaders, a matter which troubled the MacQuarrie committee but which they more or less swallowed. I quote Mr. McGregor's reply at page 412 as follows:

I do not think you can put through legislation that will prevent any dealer from selling below cost.

Then on page 413 we find a qualification of that because he seems to indicate that it is possible to devise legislation. There are the two conflicting statements.

We have suggested that this matter be not rushed through, but that has not been treated with very great sympathy. I think there is a great deal to be said for it. In the first place, I believe that there have been many converts to this view since this discussion began. There were a great many people who thought when it began it was simply a case of saying "resale price maintenance injures competition and therefore it should be done away with," but I think many people have abandoned that view. I suggest to the government it should not be afraid to let public opinion run its course, and that there is no need to rush this thing. Nobody in his sane senses can suggest it is going to produce any immediate result on inflation, and I for my part can see no reason whatever to rush it through, as is apparently proposed.

One thing is clear beyond everything else, that whatever else it will do it will injure a lot of small people. They believe it will injure them, and I suggest no adequate answer to their fears was given. As a matter of fact the only answer that I observed given was to the effect that after all perhaps there are too many retailers and maybe some of them have got to go to the wall. That was said.

All I am asking is that this measure be stood over and not passed now. In other words, I support the amendment. I say that no case has been made and that if the Minister of Justice had spoken for ten hours instead of two he could not satisfy us as to the propriety of passing a bill for which no adequate reason has been given.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, what I have to say today will be brief, concise and to the point. I will not attempt to take up as much time as the hon. member for Greenwood.

An hon. Member: Stop now.

Mr. Sinnott: Having listened to him as long as I have, there is only one thing that is still obvious, namely, that he is still riding both sides of the fence.

Mr. McGregor: Which fence are you on?

Mr. Sinnott: I will take my seat if he will answer the question which I am about to ask him.

Mr. Hodgson: Who gave you the question?

Mr. Sinnott: Does he think that price fixing by the manufacturer is a bad thing for the public? If he does not wish to answer it now he can do so later. I will give him time to think about it. I have listened to all the big guns in the Conservative party.

Mr. Gibson: Popguns.

Mr. Sinnott: When the hon. member for Coast-Capilano (Mr. Sinclair), the very able parliamentary assistant to the Minister of Finance—

An hon. Member: A popgun.

Mr. Hodgson: Who told you to say that?

Mr. Hees: He must have written your speech.

Mr. Hodgson: I saw him talking to you.

Mr. Hees: Jimmy wrote this.

Mr. Sinnott: —mentioned the Bennett investigations I could see the jaw of the hon. member for Hamilton West (Mrs. Fairclough) drop every time he referred to them. I could also see the jaws of the big guns of the Conservative party drop because it had never been brought to light before now.

Mr. Hodgson: Are you sure it was not Hamilton East?

Mr. Sinnott: I am going to say a few words for the poor little consumer, myself, and the producer.

An hon. Member: Get out the crying towels.

Mr. Sinnott: If the big industrialists on the other side of the house will just contain themselves for a few moments I should like to put on the record what the consumers are looking for.

Mr. Hodgson: What Jimmy told you.

Mr. Sinnott: There have been four or five by-elections recently, and the Conservatives have a great story to tell the people of what they have done on the hustings.

Some hon. Members: Hear, hear.

Mr. Sinnott: But they are not doing anything to curtail the high cost of living, and when the Liberal party brings forward legislation suggested in the speech from the throne the Conservative party does everything in its power to prevent it.

An hon. Member: Put more punch in it.

Mr. Sinnott: When we come to the vote on second reading members of the Conservative party will have to stand up and be counted. We will see who is for and who is against. Not a single speech they have made has been for or against.

Mr. Sinclair: Sitting on the fence.

Mr. Sinnott: During the time that the special committee sat ample evidence was presented to it. Whether it sat for two years or two months it could not get a better sampling of evidence than was produced before it.

Mr. Hodgson: All aboard; get on the snow plow.

Mr. Sinnott: But the Conservative party has tried to keep the matter lingering and to keep the consumers in suspense longer because they think it will enhance their policy if they can go back on the hustings and say that the government is doing nothing. They have found out that, if parliament has to sit until after Christmas, the government is going to do something.

An hon. Member: It is about time it folded up.

Mr. Sinnott: I can say that this country—

Mr. Hodgson: Did Jimmy tell you that?

Mr. Sinnott: —should be very thankful that it has a Liberal leader with the courage to go ahead with this kind of legislation.

Mr. Hees: Can you not read Jimmy's words?

Mr. Sinnott: It is said by the opposition that nowhere in the world is there such legislation. I think we should take our hats off to the Prime Minister (Mr. St. Laurent) and the government for their ingenuity and the fact that they are prepared to accept the responsibility of following out their convictions and doing what they can for the little consumers all across Canada.

Mr. Fraser: The Prime Minister said this measure would not help the cost of living.

Mr. Sinnott: The Liberal party has always been a middle of the road party. It has always been the little man's party.

Mr. Fleming: Will the hon. member permit a question?

Mr. Sinclair: No.

Mr. Sinnott: Why certainly.

An hon. Member: Now we know who wrote the speech.

Mr. Deputy Speaker: Order.

Mr. Hees: That was not in the script.

Mr. Deputy Speaker: Order.

Mr. Fleming: May I ask the hon. gentleman if he shares or disagrees with the view expressed by the Prime Minister in the house on October 15 that the enactment of this measure is not going to have any substantial effect on the index of the cost of living?

Mr. Rinfret: Do you?

Mr. Sinnott: I agree with the views expressed before the committee, and that is how I have to arrive at my decision.

Mr. Hees: Don't you agree with the Prime Minister? You don't agree with the Prime Minister, eh?

Mr. Fleming: Do you agree with the Prime Minister or not?

Mr. Sinnott: Further—

Mr. Fraser: Ask Jimmy for the answer.

Mr. Sinnott:—I should like to put a direct question to the hon. member for Eglinton (Mr. Fleming), who is so able. I should like to ask him whether he is for or against this legislation and let him say just yes or no.

Mr. Fleming: I am delighted to accommodate my hon. friend. I think the Prime Minister was perfectly correct in saying the enactment of this measure would not have any effect on the cost of living. I think he was perfectly correct, and when the Minister of Justice (Mr. Garson) put forward a different view he was quite wrong. When the hon. member for Coast-Capilano (Mr. Sinclair) put forward a different view he was wrong too, and the Prime Minister was right.

Mr. Deputy Speaker: Order.

Mr. Knowles: A typical lawyer's answer, no answer at all.

Mr. Sinnott: I am asking for a yes or no answer. Are you for or against the legislation?

Mr. Fleming: Against this bill?

Mr. Sinnott: Just a straight yes or no.

Mr. Fleming: You will see me vote against this bill.

Mr. Rinfret: That does not mean you are against it.

Mr. Fleming: If all Liberal members were free to vote as they would like to many of them would vote against it too.

Mr. Knowles: Where is the member for Lake Centre (Mr. Diefenbaker)?

Mr. Sinnott: I will use the words of the parliamentary assistant. If those who are crying crocodile tears, the manufacturers—

Mr. Hees: He wrote it.

Mr. Sinnott:—want to give the little fellow an opportunity, all they have to do is to give him the same discount they give to the big fellow.

Mr. Hodgson: Jimmy has you whipped into line.

Mr. Hees: Jimmy's assistant.

Mr. Sinnott: If the manufacturers would follow the same practice with regard to the little fellow as the producers of oats and barley in the west the little fellows could all have the same opportunity. Your time is very short now if you want to get home for Christmas. You can say whether you are going to vote for or against.

Mr. Macdonnell (Greenwood): On a question of privilege, I think I should have a chance to answer the question of the hon. member for Springfield (Mr. Sinnott) who asked me if I approved of the manufacturers setting prices. I think I made myself perfectly clear. I entirely disapprove of combinations which are repugnant to the act. I pointed that out in what I said of the chairman of the committee. On the other hand I have read statements which satisfied me that, prima facie, there is a case for the manufacturer being able to make an agreement with those who sell his products.

An hon. Member: That is not an answer.

Some hon. Members: Question.

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, I am glad I had the opportunity of listening to the masterly analysis of this legislation, as just propounded by the hon. member for Springfield (Mr. Sinnott). I can only say that I wish he had spoken longer, because he did not have enough time to convince me as to the entire merits of the government's case.

In this particular instance the government reminds me a good deal of the man who was about to be hanged. Just before he was hanged he stepped up to the group who were about to witness his execution, and said, "Boys, this is certainly going to be a great lesson to me." And I am just wondering if the government has learned a lesson from the procedure which was followed in this case. I would hope that next time they would really have made up their minds before they advise us, in the speech from the throne, that they are going to pass legislation of a controversial nature such as this.

I sincerely trust they will sound out their own members, next time, so that they will not subject them to the considerable amount of embarrassment to which this legislation has certainly brought them. I would think, too, they may come to the conclusion that it is not advisable to set a deadline on a committee's deliberations. Because, after all, I think the government agrees with me when I say that the committee did not have time to make a very exhaustive analysis of this

complex problem. I would think the committee must have learned that matters connected with manufacturing and retailing are very complex indeed.

I do not think, myself, that any member of the House of Commons has had an opportunity to make up his mind on the legislation. After all, the combines branch has been aware of some of the evils and some of the good arising from resale price maintenance, and they have had that information for twenty-five years. They have sought to store it, as a goose egg, as it were, for that time.

Then, just at this particular session of parliament, when we knew we were going to be rushed, the government decided to bring forward this legislation. They must surely have considered—well, perhaps I should not say that; it may be that they are not so concerned about the political repercussions. I do not want to impute motives to them. But surely they must have considered in some way the political repercussions that might possibly flow from the introduction of this bill.

I believe anyone who has studied retailing, merchandising or manufacturing in Canada in the last five years must have realized that there has been a great scarcity of a number of consumer goods. New small manufacturers have started up, to try to fill in that gap. They have met the demand of some small retailers. I believe that actually in many fields of retailing in Canada there are probably more retail outlets than are really required.

But what I fear is that a number of these small businesses, which inevitably, without any interference from the government at all, were going to get into financial difficulties, are now going to say, "Those members of parliament might have done better if they had not passed this legislation that put me out of business".

I really do not believe this legislation will put an efficient merchandiser out of business. At the same time I feel the government might have let the trend go along, without pressing this legislation which for twenty-five years they have felt was not necessary.

I would say to the Liberal members of the committee that the passage of this legislation is a far greater tribute to their loyalty to their party than it is to their common sense. It is of interest, further, to notice the divergency of views among members of the C.C.F. party. I am always curious about that party. I must confess I used to have a great deal more curiosity about it when there were about thirty-five members from that party in the House of Commons.

However, it is still somewhat strange to me that they should have divided fifty-fifty on this, so far as the members on the committee were concerned.

Then, the hon. member for Vancouver East (Mr. MacInnis), whose integrity I greatly admire, supports the government's legislation. It seems to me one must be as careful in this world of who one's friends are as of who one's enemies are. Of course, the hon. member for Vancouver East said that he had never employed a man, and that he certainly never intended to. Well, it is rather interesting to see that he has determined to associate himself with the government and the Minister of Justice (Mr. Garson) in this legislation, because I presume if there is any credit to be gained from any bill that is directed against employment in the retail industry, he will want to have full credit for his part in it.

Mr. Sinclair: That is very unfair.

Mr. Gibson: It could very well be true. The hon. member for Moose Jaw (Mr. Thatcher), on the other hand, who is one of the few members of that party who have had considerable experience, did express very great concern over the probable fate of the small retailer, if this legislation goes through.

Mr. Sinnott: What did he say in the house?

Mr. Gibson: After all, he had not then had the opportunity of listening to the evidence in the committee. He said at the time the bill was first brought to the house that he intended to support the legislation. But after listening to the evidence presented before him—the same evidence other members of the committee heard—he, with his background of experience, decided that this was poor legislation. While he is not here to vote against it—and I cannot say whether he would have voted against it or not—I certainly gathered from the questions he asked in committee that he was opposed to it.

After all, he is a member who has had a great deal of experience in the retail field, much more experience in that field than the hon. member for Springfield (Mr. Sinnott).

Mr. Sinnott: He should have stayed here, if he is interested.

Mr. Gibson: I know the hon. member for Springfield is a man of many parts. But I think perhaps in this case the hon. member for Moose Jaw is better qualified to express an opinion.

Mr. Sinnott: Thank you very much. Possibly I am more interested, too.

Mr. Gibson: I was also interested to note that neither the Trades and Labour Congress nor the Canadian Congress of Labour were particularly interested in this legislation. They themselves were certainly not convinced that it would be of any great benefit to them. I think we have to recognize, too, that it was conceded in committee that the policy of resale price maintenance kept down the price of goods during a period of scarcity. There were some things about resale price maintenance, certain abuses which we all conceded were bad. But after all, you know, abuses of alcohol are very bad, too.

I am sorry that the ingenuity of the Minister of Justice (Mr. Garson), and the intelligence of his very able officials, were not equal to the task of presenting legislation which would have removed the abuses, and still would not have done the harm it is conceivable that this legislation will do.

My riding might be described as a rural riding. I know the local retailers there are the cornerstone of the whole economy of that riding. And as I happened to be a retailer for fourteen years, I might say to the hon. member for Springfield, I sold everything from a needle to an anchor and have had experience in these business matters.

Mr. Sinnott: Mostly anchors.

Mr. Gibson: No, mostly needles—for you. I do not think the government of Canada or the people generally have ever been aware of the tremendous contribution the small retailers of Canada—and I emphasize the word "small"—made to the welfare of Canada during the depression. I think that collectively the small retailers of Canada probably carried a greater load of credit, and carried more people on relief, than was done through the combined efforts of all the governments in Canada.

When we are considering this problem we must not forget how tremendously important the small retailer is. I realize that the small retailer must be a nuisance to the great merchandisers in Toronto, Montreal, Winnipeg and Vancouver. Those merchandisers would very gladly eliminate them, as is evidenced by the fact that they support this legislation. And I imagine they support it only because they feel it is in their interests to do so.

But what I certainly do know is that the small merchants around Port Alberni, Courtenay and Campbell River are the people who, so far as my constituency is concerned, carry the load. Sometimes a fire season comes along. People are unemployed perhaps for three months. At the higher levels we have the snow season, and the loggers cannot work during the wintertime. I emphasize that this is at the higher levels, around 3,000 or 4,000 feet. Incidentally, when there is a strike, it is the small local retailer who carries the boys. Every time we have a community chest campaign or we are seeking funds for the hospital or when the board of trade has a campaign for local improvement, it is these local retailers who give their support to these worth-while community efforts. They are the people who advertise in the small local newspapers which are an integral part of every community.

Speaking for the people I represent, I say that whatever is bad for these small retailers is bad for the ordinary people who live in these rural areas. Until I have had an opportunity to make a further study of this whole problem, which I realize is very complex and quite involved, I must say that I intend to support the Progressive Conservative amendment for a six months' delay.

Mr. W. G. Dinsdale (Brandon): We have just had it drawn to our attention, Mr. Speaker, by my counterpart on the other side, the member for Springfield (Mr. Sinnott), that all the big guns of the official opposition have taken part in the debate.

Mr. Sinnott: I am sorry I missed you.

Mr. Dinsdale: I hardly think I can classify myself as one of the big guns of the party, but perhaps it is time that those who sit on the back benches said something about this important issue. I described the hon. member for Springfield as my counterpart on the other side, but with certain reservations. We are not the same in physical proportions, and we do not part our hair the same. I merely wanted to make the point that we do sit on the back benches on opposite sides.

Mr. Sinnott: Remember that grass cannot grow on a busy street.

Mr. Dinsdale: I remember my own father, who was somewhat of the proportions physically of the member for Springfield and also parted his hair the same, so there is hope that some day I shall be in a position to compare favourably in those respects. He used to hold his hands well out in front of him and say, "For a young man I have a great future before me".

I have been intrigued with the progress of this particular debate, because I had been informed that during the final days of the session there was a tremendous rush to get home. We have not seen any of that, and I

think it is a healthy sign which gives evidence of the desire to debate the details of this controversial piece of legislation.

Mr. Sinnott: Are you for it or against it?

Mr. Dinsdale: I consider myself fortunate to have had the privilege of sitting in this house during this special session. I feel it has been a good session in which to be initiated into parliamentary procedure, because it has covered a tremendous amount of territory. I suppose we shall remember it as the inflation session. A great deal of the speech from the throne dealt with the problem of inflation and the high cost of living. I believe it was the member for Lake Centre (Mr. Diefenbaker) who described this session as the "inflation session". No doubt the emphasis on that problem made it necessary for the government to seek some reasonable solution or some explanation for the difficulty that, to date, has been considered as one of the important problems in our economy.

In looking around for a solution to problems there is a well known mechanism that we adopt as individuals; we use the scapegoat mechanism. We always try to blame the other fellow. It is rare to find an individual who will stand on his own feet and say, "It is my fault". We use the scapegoat technique and we blame somebody, something or some group which is not powerful enough to fight back. I have the feeling, as I have had ever since the legislation was first introduced, that the small retail merchant is being made the scapegoat in so far as the intent of this present legislation is concerned. As I proceed with my remarks, I want to speak on behalf of the small retail merchant.

Later on in the session we moved from inflation into the deflated period, when there was hardly enough business to keep parliament occupied for a few days. I was amazed because there were important matters of business on the order paper, and as a newcomer I felt we should be digging into those as hard as we could. As a result of the "deflated period" we are now faced with the ordeal of carrying on this important debate with Christmas pressing hard upon us. It is almost unfortunate to have to disturb the serenity of the pre-Christmas period with some of the verbal displays we have seen during the last two days. It seems to me that the final phase of this session is the deflation stage. We have moved from inflation to the deflated period, and now we are in the deflation stage, because from what I can gather by reading the reports and listening to the discussions it would seem that this measure is going to have a deflationary effect. The deflationary effect is going to be felt hardest by the small retail merchant.

I should like to read from a publication of the Canadian Association for Adult Education. On November 29 this group discussed the topic "Has big business too much power?" In dealing with the question before the house, the official pamphlet has this to say:

> In 1950, in a period of high prices, the government at Ottawa set up the MacQuarrie committee to study federal combines legislation and to find out if competition were operating freely in the public interest. The committee found that it was current business practice for a manufacturer to set a "minimum resale" price for his product—that is to force the retailer to sell his product at not less than a minimum price. The committee recommended that the government pass legislation to make this sort of action on the part of the manufacturer an offence. The purpose behind such legislation, of course, would be to bring down the price of goods in some lines and thus ease the high cost of living.

We have had that point answered by the Prime Minister (Mr. St. Laurent). Continuing to quote from the article, I read:

> Here we have an interesting situation. It is the big retail firms in Canada which stand to benefit from such action. As a matter of fact, one of our largest department stores has been a leader in urging the government to carry out the recommendation of the MacQuarrie committee.
>
> It is the corner store retailer, in the main, who would like to see the manufacturer go on holding the price line on his product. The small retailer welcomes the protection of "minimum resale" prices, or "fair trade" prices, as they are called, because they mean he can retain his margin of profit, and still give "service" to his customers. No one can undersell him past a point because the retail price of the product is not allowed to go below a definite figure. In this case, then it would seem that what the MacQuarrie committee thinks to be in the public interest fairly well coincides with the position of the big retailer.

That was an objective appraisal of the possible consequences of this legislation now before the house.

The legislation has had a rather devious course. That is quite evident. It was introduced early in the session and then sent back to a committee for discussion. Then the committee was cut off abruptly before the retail merchants association had a chance to give evidence. The Ottawa *Citizen* of November 2 had something to say on this rather unusual procedure:

> The delay is disappointing, and it considerably weakens the government's position in the current controversy over measures to check inflation. For in the throne speech, directly following a paragraph dealing with the cost of living, this passage appears:
>
> "The government has received an interim report from the committee studying the combines legislation recommending that suppliers of goods should be prohibited from requiring or inducing distributors to resell such goods at fixed or minimum resale prices. You will be asked to consider legislation arising out of the committee's interim report."

Then the *Citizen* says:

> But unless the new joint committee can perform a miracle, parliament will not be asked to consider anything of the sort—not at this session.

We are considering the legislation and the information that was revealed during the committee discussions. I can't agree, however, that a miracle has been performed. After listening to what the members of the opposition who served on that committee have had to say, I do not regard the work of that committee as miraculous. I would rather use the term "black magic" and say that "black magic" has been effected in making it possible to bring back this difficult and complex legislation into the house before the conclusion of this present session.

As we have moved along in the discussion thus far, I fear that sometimes more heat than light has been generated. Yesterday for a time I was reminded of some rather stimulating experiences I had while overseas. I used to spend Sunday afternoons listening to the orators at Hyde Park corner in London, which is an extremely interesting place. Then later on I went to Bughouse square in Chicago and listened to the orators there. Some of the oratory we have heard in this chamber reminded me greatly of the type of oratory that I have heard on those occasions to which I have referred; it is most stimulating in its emotional appeal, and most entertaining, but it is hardly the type of treatment that is required for the deliberations of this house and particularly for an objective and intelligent consideration of the present legislation.

I admit that everybody should be able to say his piece. I remember one occasion at Hyde Park corner when a speaker got on his soap box and was rather subversive in his remarks. He was attacking the royal family. An American soldier who was standing by, chewing gum, became greatly disturbed and rushed over to a policeman, or rather a bobby, and said: I say, officer, that man is attacking the royal family; he is trying to incite the people to rush down to Buckingham palace and to do some violence to the king and queen; but the bobby was quite nonchalant in his reply. He merely turned to the crowd and shouted: All for Buckingham palace, queue up here.

I think one of the important safety valves of our democratic way of life is the ability to say our piece, and to say it as we feel, without any inhibition of party or without any inhibition of pressurizing in any way, shape or form. Yesterday I was quite disturbed, after hearing some of these orations, to note the vociferous applause that came from government benches, because the appeal was emotional and political; it was not dealing with the basic issues of this legislation under consideration at the present time.

I do not want to review the discussion in detail, but I may say that at times we have become quite philosophical, and we have dealt with economic theory as we have moved through the debate. When I listened to the presentation of the Minister of Justice there were moments when I thought he might be advocating a return to the laissez-faire system of economics, or making a downright appeal for outright free enterprise. The illustration was given of Henry Ford's success in the economic field. Later on, however, the minister went on to point out that it is a fallacy to apply measures that are effective at one time to another situation that has changed remarkably as a result of the process of social change.

It is true that times have changed considerably since Henry Ford made his great fortune by manufacturing the model T, the tin-lizzy, by mass production, without any economic restrictions whatever. He did that under free enterprise or laissez-faire economics. The very fact of the successful introduction of the model T Ford is partly responsible for the changes that have come about; for as a result, we live in a mechanized society which has been put on wheels; and the mechanization of our society has brought about changes in the family, in the church and in government, as is only too evident as we attempt to deal with affairs of state at the present time.

For example, if I may I should like to give one illustration. Consider what the model T Ford did to our courting habits. It took the courting procedure out of the front parlour, under the watchful eyes of mother and father, and removed it to the lovers' lane, and so on in the model T or the modern equivalent of the model T, and this is something which has had serious effects on the stability of family life at the present time.

An hon. Member: Speak for yourself.

Mr. Dinsdale: I give that as an illustration of the effect.

Mr. Casselman: Don't get off the main highways.

Mr. Dinsdale: Let us pass on, then. As a result of these changes—if we want to get into the theory of the matter—we have what you might call state socialism today. I think the policies of the present government might be easily classified as state socialism. I think it has become evident that one of the great Liberal journals of this country, the Winnipeg *Free Press*, which developed tremendous influence under the inspired leadership of

that great Liberal, the late J. W. Dafoe, has indicated the dilemma that the present government finds itself in; because that journal has extreme difficulty in applying the theories of Liberalism to the present meanderings of the government. Periodically it quotes from John Stuart Mill, a great Liberal theorist, attempting to reaffirm the faith. Periodically, too, it often goes off at a tangent concerning some of the policies that are being pursued by the so-called Liberal government at the moment. I think that is evidence of the fact that, as a result of these changes, as a result of the move towards socialism in government, any political group is having difficulty in making adaptation to the demands of the times. And when somebody accuses the Conservatives of meandering all over the lot, when somebody accuses the Conservatives of having no policy, because it too must meet the demands for a changed situation, then I think it is a case of the kettle calling the pot black. And if I may make an appraisal, perhaps the meanderings of the Conservative party are not as extreme as the meanderings of the party in power at the present time. At least we are being consistent and cohesive on this very fundamental point which is before us at the moment.

The hon. member for Rosetown-Biggar (Mr. Coldwell) put the issue nicely before us in his remarks. He accepts state socialism as being the solution—

Mr. Coldwell: Not state socialism.

Mr. Dinsdale: What would you call it?

Mr. Coldwell: Democratic socialism.

Mr. Fleming: A rose by any other name. It is state monopoly.

Mr. Hees: It has surely been sweetened up.

Mr. Dinsdale: He accepts democratic socialism as being the solution of the underlying social situation facing us at the present time.

Mr. Graydon: He is meandering, too.

Mr. Dinsdale: He and his party would tend to support complete state control or nationalization, and they are justified in having their views, but I merely pose the question—I am not going to pursue this argument—I merely pose the question: Is government control a good thing? Is increasing government control a good thing? Is statism a good thing? We must remind ourselves that the only institution in the state that can use force in working its will is government. It has armies and police forces behind it, and if it wants to control, if it wants to assume power, it can assume absolute power. The family, no coercion; the church, no coercion; the school, no coercion; but the government can back up its demands with physical force.

Mr. Coldwell: What about private economic power?

Mr. Dinsdale: Private economic power? You mean the combines and so forth?

Mr. Coldwell: Monopolies.

Mr. Dinsdale: Yes, monopolies are equally dangerous. Great monopolies are as dangerous as too much power in the hands of the state. There are institutions other than government, and as government power grows it seems to me that functions that belong to these other social institutions, the family, the small neighbourhood community, if you will, even education and the church are usurped by the government. I raise the question as to whether that is the thing we want; whether it is a desirable trend at this time, particularly from the standpoint of our democratic way of life. I believe that a healthy democracy is based on a healthy community life; and a healthy community life can only survive when we have an active, enthusiastic and dynamic local government. As I read the rural weeklies I notice that we have just passed through a period of local council and school board elections, and so forth. I am quite disturbed when I read in community after community that no one is willing to stand and accept the jobs. Councils are elected by acclamation, or the mayor is elected by acclamation because seemingly there is a lack of interest at this grass root level of our democratic way of life. There is a loss of feeling of responsibility in the community. I am going to point out, Mr. Speaker, I feel that the situation that confronts the small retail merchant, as we contemplate the import of this legislation, is only going to aggravate this basic problem of our democratic way of life.

In giving his evidence Mr. McGregor supported that point of view. He said that the small retail merchants will go to the wall. He said they are to be the scapegoats. They are to be the ones who must bear the impact of the deflationary spiral. They must be the victims of this smoke screen that the government is attempting to raise in order to pacify the demand for some comprehensive handling of the present problem of inflation.

There are two sides to this question. There has been pressure from the retail merchant; there has been pressure from the other groups; and the question has been thrown continually at the members of the official opposition: Which side do you stand on, or are you a mugwump sitting in the middle?

[Mr. Dinsdale.]

Well it is very difficult, in a matter as complex as this, to take a stand unless all the facts are before you. To me the original intent of putting the legislation back in the hands of the committee was to give an opportunity for conscious appraisal of this problem. I understand that one of the major protests, as I interpret it—and nobody has told me to interpret it this way—one of the major protests of the official opposition is the fact that important groups, in particular the retail merchants association, have been shut off and prevented from giving their evidence. For what reason? It may have been to fulfil a promise to make some attempt to solve the inflationary problem, or to introduce additional solutions to the inflationary problem, or it may be for some other reason.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. Speaker: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

Government House, Ottawa
17th December, 1951

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Alexander of Tunis

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Fulton.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, when the house recessed for lunch I was endeavouring to bring before hon. members the case of the small retail merchant in reference to the legislation before us. I feel the Minister of Justice should be able to understand my viewpoint because his own constituency of Marquette joins that of Brandon. You might say that we are neighbours, and good neighbours too. As a matter of fact my father-in-law and mother-in-law are residents of his constituency. I am not quite sure whether I have converted them as yet—whether they have seen the light. That is more important so far as my father-in-law is concerned for a son-in-law is not supposed to be too much concerned about the mother-in-law problem.

We have been accused of taking the side of big business. I have never had anything to do with big business and I am not quite sure what the accusation involves. Perhaps I could throw some light on the problem by reading excerpts from one or two letters and thus indicate the sort of big business I am sponsoring this afternoon. This first letter is from a combined druggist and medical doctor in the town of Pipestone, Manitoba, who has been serving that community in that dual capacity almost as long as I can remember. Here is what he says:

For 15 years during the price cutting spree my drug store in Pipestone was in the red every year and I was contemplating closing it, but people asked me not to, for every town and district needs a place like this to take care of emergencies.

Mr. Cannon: Mr. Speaker, on a point of order, I would ask the hon. member to table the letter he is reading. I think there is a rule that anything which a member reads or quotes from should be tabled.

Mr. Coldwell: Is there any rule that you must table a private document? A document from which a minister reads must be tabled on request.

Mr. Speaker: I think perhaps it will be sufficient to identify the source of the letter and it need not be tabled.

Mr. Dinsdale: I have already indicated the source. The letter continues:

I carry several thousand dollars' worth of drugs, chemicals, etc. which are used only occasionally, and has little or no profit. We depended on the daily sales of goods from our shelves to make a living. Since we induced the manufacturers to control their retail prices, my drug store has come out of the red, although the profits have been small, even less than those of grocery stores. If this should be outlawed, I'll be forced to close my drug store, like hundreds of others in small towns, for I could not go through it again, as I am getting to the age where I must slow down in my practice and work. This law would never decrease the cost of living for the profits are small.

That is the type of businessman on whose behalf I am speaking this afternoon. I have another letter from a departmental store merchant in Rivers, Manitoba, adjoining the constituency of Marquette, which reads:

Contrary to the opinion of many, it is my belief that the maintained price asked by the average manufacturer tends to hold the selling price down—rather than up. While the best example of this is in the drug and cosmetic lines I might refer you to that of another department. The maintained price of Tip Top suits allows a much smaller mark-up than that asked by the retailer on brands where the price is not maintained. It is of some satisfaction to the customer that he can purchase a Tip Top suit from the smallest country store at the same price as from the largest city store. He does

not have to drive many miles to be able to purchase a packet of Gillette razor blades at a cut price because the Gillette company has tried for years to establish a fair resale price, the same in Halifax as it is in Vancouver.

Mr. Speaker: The hon. member is not disclosing the source of the letter. He has informed the house that he has received letters from certain cities. It is customary to disclose to the house the author of letters which are read. If the hon. member intends to quote other letters I think he should disclose their source.

Mr. Graydon: Mr. Speaker, my understanding of the rule, subject to your much wider knowledge, is that the source of a letter being read, such as the hon. member is now reading, need not be disclosed so far as the origin of the letter is concerned provided the hon. member is prepared to take the responsibility for the facts and statements contained in the letter.

Mr. Speaker: I think it would be most difficult for an hon. member to assume complete responsibility unless he knew the facts in a letter were as stated. I think this was discussed at some length at a previous session when the hon. member for Rosetown-Biggar (Mr. Coldwell) proposed to read a letter. I think it was decided then that in fairness to all members the source of a letter should be disclosed.

Mr. Dinsdale: Thank you.

Mr. Speaker: I am not requiring the hon. member to disclose the source of the two letters he has just read. If that was to be done, I should have requested it earlier. However, if he intends to read other letters, he should disclose their source.

Mr. Knowles: The druggist in Pipestone is well disclosed because he is the only one.

Mr. Dinsdale: In referring to the two letters I have just read, Your Honour referred to Pipestone and Rivers as being cities. I am sure that the constituents in those two towns will be flattered at this elevation of status. That helps me to move to my next point, which is more specifically a western Manitoba problem. In conjunction with the trend toward government control which I have indicated, there has also been a trend toward urbanization, a trend toward bigness, which is seen so far as the prairie provinces are concerned in the loss, or relatively slow increase, of population. This is highlighted by statistics published with respect to the recent census. Taking Saskatchewan, for example, we find that that province is in danger of losing four of its spokesmen in the house as a result of the decline in population arising from continued rural-urban migration. Manitoba also is in danger of losing one representative. The three prairie provinces are rapidly becoming a minority group. Of course there are other implications. There is the problem of education, which has been discussed in the house on one or two occasions during this session. We educate our young people and carry at least a percentage of them to the high school level only to see them migrate to the central provinces where they make their contribution in industry, business and so on, while we with our very small population and with very little support from the federal government—no support at all at the present time—have had to bear the cost of educating these young citizens.

I am going to get myself into a little difficulty in my next statement with the members from Winnipeg, but in western Manitoba we face a double problem of centralization. Not only do we compete with eastern Canada but we also compete with Winnipeg where more than half the population of the province of Manitoba is concentrated in that small area. It stretches out like an octopus and devours everything in its sight. I can perhaps illustrate the point by giving the solution offered by the editor of the Brandon *Sun* in his well known column "Sun Gleams". Incidentally, Mr. Noakes is Canada's senior editor. He is in his eighties and is still going strong in his editorial capacity. Mr. Noakes recommended as a solution for our civil defence problem a sign on the top of the hill just north of Brandon in the form of an illuminated arrow pointing in the direction of Winnipeg. That indicates the underlying attitude.

Mr. Hosking: On a point of order, I wonder if these remarks have any bearing on price maintenance. The hon. member's speech is of the same type as those that were made in the debate on the address, and he is delaying the extension of the benefits of this legislation to the people of the country.

Mr. Cardiff: You took up our time and nobody stopped you.

An hon. Member: It is not price maintenance; it is debate maintenance.

Mr. Speaker: I think the hon. member has been relating his remarks to the principle of the bill. I am sure he does not intend to do otherwise.

Mr. Dinsdale: Thank you, Mr. Speaker. With the mail order houses concentrated in the larger urban centres, the small retail

merchant faces a problem of increasing proportions if the legislation now before the house is passed. My time is almost up and I must come to a rapid conclusion. As I see it, the point of this legislation is a desire to do something about the high cost of living, and we have the statement of the Prime Minister that it will do nothing in that regard. Perhaps more than the mechanism of fair trade practice in the form of resale price maintenance, the factor that has contributed largely to present high prices is the process of getting set which resulted from the generous warning given by the government when Canada entered into this emergency period of planning, because it was then that our prices really began to skyrocket and soar.

I think the hon. member for Lake Centre (Mr. Diefenbaker) was quite justified when he suggested, on the occasion of referring this legislation to the committee, a wider approach to the problem in order to get at the big fellows who are responsible for the upward trend in prices and not make a scapegoat of the small retail merchant in an attempt to raise a smoke screen to obscure the major issue. I have been receiving little green slips from consumer organizations throughout Canada. Obviously it is an organized program to influence this discussion because the slips are mimeographed. They indicate that the consumer wants to have prices lowered. We have already had it demonstrated to us that this legislation will do nothing so far as that is concerned, and unfortunately will work a real hardship on the small retailer, particularly the small retail merchants to whom I have referred this afternoon who are faced with the double problem of centralization in the east and in the eastern part of the prairie provinces.

Those on this side of the house have been accused of trying to filibuster and prolong the debate on this measure when everybody wants to get home for Christmas. No one is more anxious to go home than I, but it is not the fault of the official opposition that the bringing down of this legislation was so long delayed. We expected it earlier in the session. I think I have indicated it is of sufficient importance to merit the full consideration of every member of the house. We have not had statistics or facts presented as to the merits or demerits. We have reason to believe that the small retail merchant will suffer. So far as the term "humbug" as applied to our policy is concerned, I should like to draw the illustration of the learned professor of biology who was presented with a synthetic bug that his students had concocted in an attempt to fool the old gentleman. They had wings from a fly, a body from a bee, legs from grasshoppers, and so forth. He looked at it under his microscope, paused momentarily, and finally said, "This is a humbug". That seems to aptly describe the nature of the legislation before us.

Mr. W. A. Boucher (Rosthern): Mr. Speaker, as one who had the opportunity of being a member of the committee on combines legislation I wish to make a few comments on some of the briefs presented to the committee. Representing a rural constituency, first of all I want to deal with the viewpoint of the farmers with respect to this proposed price maintenance legislation, and then I also want to deal with the viewpoint of the small merchant as I have had some experience in that line. The Canadian Federation of Agriculture made their views very clear in their brief, and I should like to quote certain passages. On page 1 they say:

> Our views on this matter are likely already known to this committee.
>
> In our brief presented to the special committee to study combines legislation, known as the MacQuarrie committee, in August of 1950, we recommended that "The Combines Investigation Act should be amended to provide that resale price maintenance shall be an illegal practice when resorted to by a single individual or corporation."

Then, on page 9 of the same brief, we find this:

> More than half of all the purchases made by farmers for productive purposes come directly under some form of private resale price fixing. This list would include the following tools and supplies:
>
> Farm machinery and parts
> Most items of general hardware such as small tools
> Many construction and building materials
> Fertilizer
> Truck and auto tires
> Gasoline and oil
> Milking machines and parts
> Milk coolers
> Electric motors
> All barn fixtures such as steel stanchions, water bowls, etc.
> Some brands of paint
> Woven wire, wire gates and barbed wire
> Veterinary supplies and drugs for livestock.

And the next is a very important paragraph which was quoted by the Minister of Justice, and which I repeat:

> In some of the above cases the entire sales come under private resale price fixing.

Then at page 15 of the same brief we find this paragraph:

> The production and sale of farm machinery is a typical example of the policy of an industry dominated by a few large producers and using privately administered price fixing as a means to maintain prices at the expense of production and employment in their own industry. This policy is in sharp contrast to the farming industry which, because of

its nature, maintains total production at relatively stable levels and feels the full impact of changing demand for its products.

I have here a resolution passed by the annual meeting of delegates of the Saskatchewan wheat pool. It was my privilege to file with the committee this resolution which was passed by the 27th annual meeting of the delegates of the Saskatchewan wheat pool held in Regina, November 6 to 16, 1951. In their resolution they say:

That we commend the federal government for proposing to introduce legislation to stop the practice of resale price maintenance by manufacturers and business corporations and recommend that this meeting declare its unalterable opposition to any degree of retail price fixing, or the determining of resale minimum prices by manufacturers, processors and suppliers of all kinds; and deplore the action on the part of some business firms in withholding supplies from wholesale houses and retail merchants who, through patronage dividends or otherwise, have not conformed to this form of monopolistic price control; and urge the federal government to proceed with the legislation declaring the practice of resale price maintenance by manufacturers and business firms illegal, as originally proposed, and have this done as soon as possible during the present session of parliament.

This was carried unanimously by the annual meeting of the delegates of the Saskatchewan wheat pool.

In addition to organized agriculture, the proposals are supported by the following organizations or groups: The Canadian Congress of Labour; the Canadian and Catholic Confederation of Labour; the railway brotherhoods; the Co-operative Union of Canada, and all the constituent bodies. The last I am going to mention, but not the least, is the Canadian Association of Consumers. We have all this evidence of popular support from the consumers, the farmers and the workingmen. May I say here that Mr. F. A. McGregor, the former combines commissioner, said in his evidence that in his opinion the proposed legislation would reduce prices to consumers. As I said at the beginning, I have had some experience as a small retail merchant; and in my view the little merchant has nothing to fear because the figures show that he has been able to survive competition from big firms, particularly in those states of the United States where price maintenance is illegal.

So, as I said before, I am satisfied it will not hurt the small retailer who plays such an important and useful part in our community. I shall not detain the house longer, but in conclusion let me say that I feel this is good legislation. It is legislation that will be beneficial to a very large section of the Canadian people.

Mr. Rodney Adamson (York West): Mr. Speaker, I spoke on this matter in the House of Commons two months ago yesterday, immediately after reading the MacQuarrie committee report. I was opposed to the report then, and recommended the setting up of the committee to study the matter before legislation was introduced. This was done. This was before any letters or communications of any sort had begun to come in from the retailers on this matter.

I claim therefore that my position then, as it is now, was based purely on objective reasoning. The fascist behaviour of the government in the committee, first by denying witnesses a hearing and, secondly, in this house trying to shout down the opposition, is incipient fascism of the first—

Mr. Garson: Mr. Speaker, on a question of privilege: the word "fascist" is not parliamentary, and I demand that my hon. friend withdraw it.

Mr. Speaker: I do not think it is the sort of word that should be used in debate.

Mr. Adamson: I did not say that the government was fascist. But, as the word "humbug" was used as applied to policy, then I submit that if the word "humbug" could be used to designate the policy we are accused of following, then the word "fascist" could be used—

Mr. Gauthier (Portneuf): It is quite different.

Mr. Adamson:—to describe the policy or action which has taken place in committee. I say that, because witnesses were denied the right to be heard, which is the first point of fascism; and the second point is that an attempt in this house has been made to shout down and to deny the opposition its proper opportunity to present the case against this legislation.

Mr. Winters: That is nonsense.

Mr. Garson: Mr. Speaker, may I say one or two more words on this point of order? If the debates in the house are not going to descend into a scurrilous exchange of abuse from one side of the house to the other, I think we should discourage the practice, which has been adopted to quite an extent by the opposite side of the house, of using these adjectives. I suggest, and I think my friend will agree, that to accuse any person in a democratic country of being a fascist is one of the worst forms of insult it would be possible to imagine. I renew my demand that it be withdrawn.

Mr. Speaker: I believe I have intimated that the word should be withdrawn, and I understood that the member for York West (Mr. Adamson) was prepared to withdraw it. I should comment that I feel there has been strong language used by both sides of the

house. It would be more in keeping with the traditions of this highest court in the land if we tried to express ourselves in a manner which we could all read with pride in the future.

Mr. Adamson: Thank you very much, Mr Speaker. I willingly withdraw. I thank you for your remarks, which I hope have restored to a great measure the democratic principles in which we all believe.

I opposed this legislation because it is just another bit of prohibition. I submit that the enforcement of it will be as difficult as the enforcement of the prohibition against the consumption of alcoholic beverages, now an unhappy memory. I say that, Mr. Speaker, because of the ramifications of the retail trade and, as a matter of fact, of the entire business of manufacturing, jobbing, wholesaling and retailing, to say nothing of the small drug stores, grocery stores, haberdashers and other small retailers. I hope to show later in my remarks that the enactment of this measure will dislocate the normal course of business in this country. I say that one of my reasons for opposing it is the fact that it is another prohibition. It will, in fact, create a species of grey markets, or if not grey markets at least grey agreements. It will be most difficult to completely police this measure.

On the very simple question of a manufacturer withholding goods from a retail outlet that has cut prices, it will be found that prosecution is extremely complex and evidence extraordinarily difficult to obtain. If there is a concentrated drive against this legislation by the small retailers, as there may well be, the policing of the measure may require a great number of people in the combines administration. As I have said, this legislation is obviously unpopular with a great number. Difficulty will be experienced in registering convictions through the ordinary process of a jury trial. I point that out as being one of the disadvantages of the enactment of this legislation, especially when there is obviously a great body of opinion opposed to it.

I also oppose this legislation, Mr. Speaker, because I believe it is unconstitutional. It restricts the freedom of contract which is a civil right, and restricts it in such a way that even fair and reasonable contracts are prohibited. Not being learned in the law I do not put myself up as a professional witness in this regard, but it seems to me that the freedom of contract is a basic and inalienable right under the British North America Act. If it does anything this legislation restrains the freedom of contract. This may in the government's opinion be desirable, but I do not agree that it is. I do not think it is constitutional, and I believe this legislation will run into considerable trouble on that issue alone.

What is the logical and almost immediate result of this legislation? It is going to concentrate an even greater volume of business in the main shopping centres. I happen to have some knowledge of the conditions in the city of Toronto, particularly concerning the main shopping artery, downtown Yonge street. I am informed by people whose duty it is to inform me that if this legislation goes through there will be an even greater flow of business from the small retail merchants to this main shopping artery. These are not small stores on Yonge street. Property on that street has a value of many, many thousands of dollars per foot, so they must be big businesses. The information given to me by people whose duty it is to give it to me is that there will be a greater concentration of business in this area. The same thing will apply to the main shopping areas in other urban centres. A concentration of trade will take place in your densely populated and highly concentrated areas.

Mr. Garson: Will my hon. friend permit a question?

Mr. Adamson: Yes.

Mr. Garson: In line with his present logic, can he explain why it is that a concentration does not take place, along the lines that he suggests, in the grocery trade and in the hardware trade where there is virtually no resale price maintenance?

Mr. Adamson: As a matter of fact, Mr. Speaker, I am glad the minister has raised that point. Your grocery trade and your hardware trade do not have resale price maintenance; your hardware trade does, to a certain extent.

Mr. Garson: To a very small extent.

Mr. Adamson: Yes. Your grocery stores, with the one exception of Michie and Company, who had to leave downtown Toronto, do not centre in your high-rent areas. You have no concentration of your food industry in your downtown area. Those stores do not go there for a number of reasons. The first reason is that they require a great deal of space, and the volume per square foot in those trades is not sufficient to pay the high taxes and the high rent required in your downtown section. There are many other reasons for that. I think that point has reinforced my argument that your grocery remains in your suburb because it cannot and does not pay the high rent and the high taxes of your downtown district. There are other reasons.

There are the reasons that your downtown shopper is not a shopper for groceries. Your downtown shopper is a shopper who buys, for the most part, price-maintained goods. Your average housewife on an expedition to buy groceries does not go downtown or into your main shopping centres in order to buy those household supplies. I think that is and has been the pattern of marketing in Canada.

I mention this matter because I think it shows that this business of resale price maintenance affects only a small part of the family budget; as a matter of fact I think it was 6·3 per cent which was mentioned here the other day. But where you have a purchaser for brand-name goods, goods which are bought in downtown shops, with your concentration of business there, you will get your big volume downtown, to the detriment of your suburban and small town shops. I think that was the point I was trying to make.

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

Mr. Adamson: Yes.

Mr. Maltais: Is that 6·3 per cent the percentage of the total families?

Mr. Adamson: Of the budget; yes.

I want to go on to the recent result—and I think it is germane to this discussion—of price wars in the United States. There is here an example which I think we can regard as a reasonable sample of what we may expect. In the city of New York there was a violent price war put on by Gimbel's, Macy's and one or two of the other large department stores. Apart from the subsequent legal question of certain manufacturers suing the stores for selling their goods below the agreed-on price, the result has been that prices today, of the goods which were subject to that price war, and which were most intensively used as loss leaders, are now back again and judging by last week's New York press, are actually selling at a higher price than that at which they sold before the price war took place.

There price wars were, of course, conducted on a cash basis, and extremely drastic reductions took place for a short time. But the people they benefited, if they benefited anybody, were the comparatively minuscule group who happened to be at that moment in the market for the particular items which were subject to drastic price cutting. Those and those only benefited from the price war.

Mr. Speaker, I believe it would be interesting for the house to hear what the late Mr. Justice Louis D. Brandeis has to say on this subject, from the legal point of view. He said:

> Already the displacement of the small independent businessman . . . presents a grave danger to our democracy. The social loss is great; and there is no economic gain . . . Shall we, under the guise of protecting competition, further foster monopoly by creating immunity for the price-cutters?
>
> America should be under no illusions as to the value or effect of price-cutting. It has been a most potent weapon of monopoly—a means of killing the small rival to which the giant trusts have resorted most frequently. It is so simple, so effective. Farseeing organized capital secures by this means the co-operation of the short-sighted unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling immediate gain and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly.

There, Mr. Speaker, is the opinion of a great liberal with a small "l" as to the result of this business of price war and price cutting. I submit in all seriousness that opinions like those should be considered, and considered seriously, entirely apart from the heat of this present debate. We are, as has been shown by the price wars in New York, liable to destroy the very small retailer, who is the very backbone and safeguard of our whole consumer system.

Mr. Garson: Would the hon. gentleman permit another question?

Mr. Adamson: I think my time is half up.

Mr. Garson: I will save it until the end, if I may.

Mr. Adamson: I now come to the general question of inflation, Mr. Speaker. This legislation has been introduced in the belief, or on the supposition, that it is anti-inflationary, despite the fact that the Prime Minister stated that it would have very little effect, despite the fact, as has been shown over and over again in this debate, that the amount of goods purchased through price maintenance is a small percentage of the average weekly budget, or the factors which go into the dominion bureau of statistics cost of living index. Despite that fact, as has been shown over and over again, the reason for this legislation keeps on being given as an anti-inflationary measure.

Let us show very simply what is inflation, Mr. Speaker. Inflation is now, has been in the past and always will be, caused by an increase in the supply of money, not equalled by an increase in the supply of goods. Nothing has altered that since the time of Diocletian, and this measure is in many ways similar to parts of the edict of Diocletian and parts of the Sumerian code, and parts of the laws put down at the time of the great inflation in France, and it will have basically the same economic effect; the only

difference being that in the time of Robespierre the French government had the use of the tumbril and the guillotine. These economic prohibitions have always brought disaster to those who tried them. Therefore I say, Mr. Speaker, on the broad question whether this will aid in curbing inflation, by admission and by evidence already brought out in this debate the answer must be no.

Coming now to my own particular constituency of York West, I received a very great number of letters and telegrams; and during the time of the Ontario election, and afterwards, I made it my business to visit as large a number of my constituents as possible who had either written to me, sent me telegrams or in other ways communicated with me. In only one case did I find that the communication had been inspired or suggested by others. In the other cases—and I have some 65 telegrams in front of me—the actions were based on a genuine fear which the small druggist and the small retail merchant have as to what would happen to them should this legislation pass. I cannot neglect that body of opinion. I cannot believe that that body of opinion, expressed freely and without prompting or without coercion in any way, represents anything but a genuine fear and a true and honest opinion of the small retailer and the small merchant in my riding. Therefore, Mr. Speaker, having regard to this evidence, even if I wanted to, I could not possibly support this piece of legislation, based on the simple equation of the greatest good for the greatest number. There can be no question that these small retailers, the small druggists, the little general merchants and the specialty shops in a growing suburban district, are definitely afraid of what will happen should the trade that they are slowly building up in a new district be siphoned off by means of the loss leader to the main downtown stores.

Again, Mr. Speaker, there is no evidence, there is no suggestion that any action will be taken to cope with the loss leader device in this legislation. I submit, again on the evidence given in the price wars in New York, that the loss leader, to be effective, must maintain a reduction of probably 30 per cent to 35 per cent. Take a brand name product, cut it 35 per cent, 40 per cent or even 50 per cent and you create a magnet that will draw the people from the districts of any community to the central shopping section. You cannot help it. I know this because stores in the central part of Toronto have intimated it. It has proved to be so in New York. Even with transportation difficulties as they are, the opportunity of saving a large percentage will certainly attract the buyers.

I want now to say something about the construction industry. I have not talked about the retail merchants except as it affects them in my own particular community. But what about the construction business? I was interested in this, Mr. Speaker, because I have in my hand what is a normal construction catalogue of plumbers' supplies. It is typical of dozens and dozens of other industries which are supplying goods. Every item in these catalogues has a list price. Every single item has what is known as a list price. It is upon this basic pricing system that contracts are arrived at. Unless there is some such pricing device no contractor or house builder would be able to even remotely gauge the cost of a house or of the thousand and one other things which have to be built. All these things have a price.

There are different types of discounts, but these are the prices suggested by the manufacturer for the consumer. Sometimes the discount is great and sometimes it is small, but nevertheless these are the indicated prices to be paid by the consumer. Without a method such as is contained in this and other great catalogues which contain thousands and thousands of items the construction and building industry could not possibly arrive at any firm idea as to what should be charged for a contract.

Mr. Howe: Is it the big builder or the small builder who gets the big discount?

Mr. Adamson: If a builder is building ten houses he probably gets a larger discount than the builder who is building only one, but the builder who is building those ten houses is building for the small consumer and therefore it is the small man who gets the bigger discount under this system of pricing.

Mr. Howe: May I suggest to my hon. friend that it is inherent in all price maintenance plans that the big builder would get the big discount.

Mr. Adamson: Yes, but my point is that, without this system of pricing, the whole construction business would fall to the ground because it would have no yardstick with which to operate. These are price-controlled and price-maintained articles. If you are building a dam and require 100,000 bags of cement the price you would get from the cement company would naturally be much less than if you were buying only ten bags with which to put in a basement. The question of handling, of bagging, of invoicing and of bookkeeping would make it much cheaper in the case of the large order. My point is that this legislation is going to throw

a monkey wrench into the construction industry and that is a condition which it will be difficult to overcome.

I come now to the automobile trade. Every automobile has an advertised list price. You might get a better turn-in value for your old car, but the whole industry is based upon the figure which the motorcar manufacturer uses as his list price. If that is destroyed by this legislation, as it obviously will be, upon what will you base the price of your motorcar? How is the automotive industry going to operate unless there is some target to be used as an end price?

Then there is the question of repairs. Every garage in Canada that sells a specific line of automotive products has a catalogue with the list prices of the manufacturer. Those are the suggested prices to the consumer. If that practice is outlawed how will the consumer who needs repairs be able to know that the price he is charged is a fair price? He will not know that he is even getting the genuine parts recommended by the manufacturer of his car. If no price is indicated he will have no idea what profit the garage is making. I consider that these factors are not only useful to the consumer, they are absolutely essential. The consumer should have some idea of the estimated cost of repairs to the motorcar he happens to be driving.

I oppose this bill because it will not reduce the cost of living. As I have said, only 6·3 per cent of the goods bought by the average family are price-controlled. It will only concentrate business in the main shopping centres, it will encourage the unfair device of the loss leader, it will dislocate the labour market in the retail trade, it will encourage monopoly in the hands of a few large retailers who are also manufacturers of their own branded products, and it will militate seriously against the small retail merchant.

Mr. Garson: Would my hon. friend not agree that the remarks of Mr. Brandeis to which he referred in connection with the 1951 price war in New York were actually uttered by Mr. Brandeis in 1913, some thirty-seven years ago?

Mr. Adamson: Yes, but they were similar to the remarks made by Mr. Justice Holmes and others. They are just as true today as they were then. I suggest that a great deal of the minister's evidence dates back to 1930 and 1935.

Mr. Fraser: 1921.

Mr. Adamson: The basic economics of this thing do not change. The serious results of price cutting years ago would be the same today. The effects would be just as evil today as they were in days gone by.

Mr. S. R. Balcom (Halifax): Mr. Speaker, may I suggest to you that now that we have been kept here so long it would be a most gracious act on the part of the Minister of Transport (Mr. Chevrier) if he would arrange to provide air accommodation so that we may be able to get home in time for Christmas. As a matter of fact, before winter sets in I should like to fly over the area which we have picked out as the site for the new airport for the T.C.A. I understand that standing order No. 11 of Beauchesne's parliamentary rules provides that where a member has a direct pecuniary interest in any legislation such as this, he is not entitled to vote. With that I have no argument, but on the part of those who have taken part in this debate there were a few unintentional injustices that I should like to endeavour to correct before the debate ends. All members have received many communications from the druggists of this country, perhaps too many for their own good because it may be that some of them were ill-considered. Members received them, however, only because the druggists are perhaps a little better organized than many other retailers. As a matter of fact if they wish to exist they have to be organized.

At this point I wish to refer to Mr. Preston, the secretary-manager of the Canadian pharmaceutical association, who appeared before the committee and made a statement that was perhaps not altogether correct. As to one question he was asked I consider he would have been better off if he had not attempted to answer it. It was asked by Mr. Phelan, the learned counsel for the committee. In his remarks yesterday the hon. member for Coast-Capilano (Mr. Sinclair) stated at page 2148 of *Hansard* that Mr. Preston was not telling the truth. In today's copy of the *Globe and Mail* of Toronto they state that the hon. member accused Mr. Preston of lying. I contend there is a fine distinction between being accused of not telling the truth and an accusation of lying. With the Christmas season so close and everyone feeling more or less in the Christmas spirit, I would respectfully suggest that if the hon. member for Coast-Capilano were here he would only be too glad to withdraw such a statement.

The word "aspirin" was bandied around a great deal by members both in the committee and in the house. Aspirin is made by one of the most reliable and trusted firms in the country. The British Pharmacopoeia

name for aspirin is acidum acetylsalicylicum and the synonym is aspirin. Acetylsalicylic acid is made by the action of acetic anhydride on salicylic acid. It contains not less than 99·5 per cent of $C_9H_8O_4$ which shows that it must be pretty well pure. The chemical formula $CH_3CO_2C_6H_4COOH$ is understood generally, and anyone with any knowledge of chemistry will realize what might happen if one of these symbols were out of order. You might wake up some morning with an atomic bomb. There is a difference between aspirin and acid acetylsalicylic which some members have recommended buying. They say you pay 79 cents for 100 aspirin and 19 cents for acid acetylsalicylic. The comparison is not altogether correct.

When you buy 100 aspirin you are buying a uniform product which will not vary once out of a million times, but if you buy acid acetylsalicylic in 5 grain tablets they are not fit to use unless made by a most reputable firm. They will not dissolve because they are too hard and they are not uniform in what they contain. I remember an episode in the first war when to save a few cents the government bought some such substitute. They were not doing the work and when examined were found to contain 1½ grains of aspirin. In the last war I had a great deal of experience along that line in the central maintenance stores at Ottawa. I had to do purchasing, and we found that in many cases we had been supplied with useless drugs after we had them all examined and tested. No druggist should buy any drug unless he is sure that it is pure. I am sure that all druggists who read the newspapers were very grateful to the hon. member for Lanark (Mr. Blair) for the kind words he had to say yesterday on their behalf.

There is one more impression that I want to correct. From the debate in the house and the hearings of the committee I would infer that retailers all had formal contracts with these manufacturers. I am in the retail business and we deal with hundreds of firms and dealers all across this country and in England where they have had price maintenance. I must say that we have not one formal agreement with any firm.

Mr. F. E. Lennard (Wentworth): Mr. Speaker, I rise to support the amendment and to oppose the motion to make certain amendments to the Combines Investigation Act because I feel they are wrong. The small businessman thinks they are wrong and I agree with him. In that regard I should like to refer to an editorial that appeared in a paper in my own riding, the Hamilton *Spectator*. By the way, it is an independent paper and is sometimes on one side of an argument and sometimes on the other. I want to quote from the leading editorial of Tuesday, December 4. It is headed, "Anti-Fixers in a Fix". It reads as follows:

> If ever an Ottawa drama turned into a vaudeville ballyhoo it is that parliamentary committee's inquiry into resale price maintenance. Things are so mixed up now it will take a royal commission to straighten them out, and what started off as a bold bid to rescue the consumer from a dragon has developed into some excited clouting of an elusive mouse. The probe was all right in principle. It was supposed to throw light on and prevent a practice whereby a manufacturer or supplier tells the retailer the price at which his product will be sold to the public, and refuses to let him carry that brand unless he obeys the mandate. This, contend the critics, interferes with proper price competition and leads to soaking the householder in his purchase of everything from stoves to toothpaste.
>
> Now, who are the prosecutors? Why those same government trapeze artists who have, for one thing, a $200 million fund to keep food prices as high as is politically possible. It was their legerdemain that stored millions of pounds of butter to keep the price tag up while the consumer was forced to turn to margarine, and bitter political opposition had to be overcome to get even that relief. It was this talent that had potatoes plowed into the ground; gave away surplus fish and neatly filched $60 million—

I thought it was $65 million.

> —from the Canadian taxpayers to make good a poor "price-fix" with Great Britain on wheat.

Then, further on in the editorial:

> Then, who is the "little guy" who is to be helped by the government crusade? From the evidence so far the only people who want the practice made illegal are the mass buyers and sellers of merchandise. The "little guy" says he will go broke in the retail business if sudden big sales can sharply cut the price of items he carries in relatively small supply. And just to show how bright some people can be at the wrong time, in steps Spadina's David Croll to propose that it should be a criminal offence for a businessman to sell any commodity for less than five per cent above cost—to check the loss-leader practice. What an army of government detectives we may have yet!
>
> It would be absurd to suggest that resale price fixing is a simple problem; it is anything but. It would be more absurd to claim there are no valid arguments in favour of letting it stand as it is; certainly for protection of the smaller stores. The main challenge goes deeper. If there is proper competition at the manufacturing level then resale price maintenance seems a secondary issue, because prices could not be kept at an exorbitantly high level save by cartel or combine methods. If there is not unrestricted competition then that is the combine commission's job.

Some comment on that editorial came in this morning's mail. I have here editorial comment from the Kingston *Whig-Standard*.

Mr. Knowles: Mr. Speaker, I rise to a point of order. I waited until the hon. member had read the whole of the one editorial he wished to read before I interrupted him. I did not wish to interrupt in the middle of it. However, if he intends to continue to read a succession of editorials commenting

on this question, then I think I should draw Your Honour's attention to the citations in this matter.

Citation 265 in Beauchesne's third edition says:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

There is no question about it, that committees of the house are an extension of the house, and are included by the word "house". Then, may I draw Your Honour's attention to citation 266 which says:

On the 17th March, 1933, a member quoting a newspaper in debate—

And the hon. member for Wentworth has been bringing newspaper editorials into the debate.

—was ruled out of order by the Deputy Speaker—

And Your Honour will take note of that; it was the Deputy Speaker.

—who said: "The rule is quite clear, that the quoting of a newspaper, an author or a book which reflects upon debate before the house, either directly or indirectly, is entirely out of order, because members are here to give their own opinion and not to quote the opinion of others . . . Members may quote an article or a book stating facts, but a commentary on any proceeding or any discussion in the house, with the object of swinging an opinion to one side or the other, is out of order."

I suggest to the hon. member for Wentworth, in all fairness and with all respect, that we are more interested in his opinions on the question than we are in the opinions of the writers of editorials. I hope he will not take offence at the suggestion I have made. I have not suggested that he should refrain from speaking; but I would rather he would give us his own speech instead of the comments of editorial writers, particularly when the ruling to which I have referred is so clear.

Mr. Drew: Mr. Speaker, the point that has been made must of course be taken in relation to the context of the editorial.

I would point out to Your Honour, if the reading of editorials is to be regarded as being out of order, that the Prime Minister (Mr. St. Laurent) himself has been out of order on a number of occasions during this present session.

Mr. Rinfret: And the leader of the opposition (Mr. Drew).

Mr. Drew: As has also the leader of the opposition, and as has the minister who has just spoken.

Mr. Rinfret: Not that I can recall.

[Mr. Knowles.]

Mr. Drew: I might point out that a great many members have found occasion to use editorials as indicating public reaction to certain matters that are under consideration.

The word that is used in the reference quoted is the word "reflects". I suggest to Your Honour that it has been regarded as meaning that no reflection—accepting the ordinary use of the word reflection—shall be cast upon a member by something that is read from a newspaper or from an editorial, for the very obvious reason that, if there is a reflection of that kind, then the member has no opportunity to deal with it until a later occasion.

The fact that editorials are constantly read here will be recalled by every member, because there is probably no single item that has come up so much before the orders of the day are called, on questions of privilege, as references to editorials or other comments hon. members have seen fit to read and to deal with.

In this particular case I suggest there is no reflection on the house, in the sense that that word is ordinarily used, and that the editorials under consideration are editorials which indicate an attitude toward a matter of very real public interest in different parts of this country.

I can only repeat that if there were to be a ruling that editorials are not to be read, then I would say with all courtesy—and I regret, in his absence—that the Prime Minister has chosen to follow this course on a number of occasions during the present session; and I am sure he has done so believing that it was most certainly not contrary to the practice of the house.

Mr. Deputy Speaker: I understand that a certain latitude has been given in the quoting of editorials. However, I would ask the hon. member not to have his whole speech consist of the reading of editorials.

Mr. Knowles: Thank you; that was my point.

Mr. Deputy Speaker: Citation 265 in Beauchesne's third edition says:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

A certain amount of latitude has been given, but I hope the hon. member will not abuse the privilege.

Mr. Lennard: I appreciate Your Honour's ruling, and will abide by it. I might say I

also understand why there is this more or less undue concern from the hon. member for Winnipeg North Centre (Mr. Knowles) because I know he wants to get home for Christmas. He has been running around the house for the last day or two asking people not to talk so much, and all that sort of thing. I fully realize what has happened. But his wishes at this time are no concern of mine.

Mr. Knowles: I think the hon. member would like to get home for Christmas, too.

Mr. Lennard: I have not as far to go as you have.

Mr. Rowe: And he has not talked as much this session.

Mr. Lennard: I spoke for only three or four minutes about veterans affairs. That was the first time I had anything to say this session.

I shall not quote the editorial. I am prepared to stand by Your Honour's ruling, and shall not do more than say that it was an editorial in the Kingston *Whig-Standard* whose president is the Hon. W. Rupert Davies; and the publisher and general manager is his son. That paper has never been known to be anything but a supporter of the present government.

An hon. Member: A very weak one.

Mr. Lennard: In this case they are against this legislation.

I wish now to quote, not from an editorial but from an article which appeared in the New York *Times* of June 6, 1951, and which has not anything to do with this debate. It makes no reference whatever to the debate, but quotes Mayor Benjamin H. Namm, mayor of Brooklyn, as follows:

> If the price war now going on in New York city continues for long, it will result in the bankruptcy of many small merchants and widespread unemployment. If the war continues to spread to other cities, he contended, the entire price structure will be threatened and if it is extended to other industries, the entire economy will be upset during this critical period of national emergency.

As we know, Mr. Speaker, this committee was set up to consider the report of the MacQuarrie committee. I should like to know why representatives of the retail trade, wholesale trade, the consumers and the manufacturing industry did not have some place on that committee. Today two of the biggest items in the family budget are rent and food. Rents are not controlled by manufacturers. The other item, food, is produced and largely marketed by the farm industry. Articles of food are not, to any large extent, resale price-maintained by manufacturers. With one or two exceptions, food products are marketed by the so-called low cost distributor.

As other speakers have said that they have received many letters and communications, I do not propose to burden this house with any recitation of the many I have received. There is one, however, that seems rather pertinent, and which was sent to me by one of the leading retailers in the city of Hamilton. He said in part:

> In view of the fact that retailers who actually represent over half the entire business of Canada are so vitally interested in the above—

That is the legislation which was before the committee.

> —does it not seem the fair and democratic policy of your government to at least give this group the opportunity of expressing their views with a special committee of the house regarding the above legislation as it affects resale prices, etc., before it is presented to parliament.

In that connection I may say that the committee did hear from the Canadian retail federation, but refused to hear from the retail merchants association which has a membership in Canada of over 20,000. I think that is the one great oversight on the part of the committee which shows what a farce this whole business is.

I received four of these robin's egg blue slips which were sent out by the Canadian association of consumers. The only address shown is 1245 Wellington street, Ottawa. Many in this house have a fair idea who is behind this organization. However, I received four of these slips, and other members have received a similar or lesser number. In answer to that slip which requests me to protect the interests of the public in these times of high prices by voting to outlaw the present price-fixing practice of resale price maintenance, I wrote the following letter:

> I received your communication of recent date in respect to the government bill to prohibit resale price maintenance.
>
> I cannot support this bill because, in my opinion, it would be one more step towards monopoly. If we are denied the privilege of any form of price maintenance it means that the big stores can, and will, undersell and put out of business many small retailers throughout the country and then, a few years hence when they have cornered the market, up will go the prices . . . I regret not being able to meet your request and felt that the only honest course was for me to tell you so and give you my reasons.

I received a reply to that letter which reads as follows:

> Dear Mr. Lennard:
>
> Thank you very much for your immediate reply, and the information it contained. I had not considered that aspect of the matter, and am glad to have it drawn to my attention.

I am not saying anything in this house that I am not prepared to say in my own locality. As I said at the beginning, the small businessman thinks this is wrong and I agree with him. I am speaking for the small businessman in the town of Dundas, the adjoining city of Hamilton and the other towns and villages adjacent to them. I am speaking for the man who has his whole stake in the local community, the man who has been the backbone of that community. I am speaking for the man who belongs to the Kinsmen, the Lions, the Rotary and other service clubs; the man who has his all in his community—the small businessman. If the small businessman makes a profit he is apt to reinvest it in his business or in some local undertaking, and those profits do not go to Chicago or some other distant point.

Mr. Sinnott: What about the consumers?

Mr. Lennard: That is my problem, not yours. I have more consumers in my riding than you have in the whole province of Manitoba.

Mr. Sinnott: It is only in your mind. You do not care about them, anyway.

Mr. Lennard: I am speaking for the man who helped to carry the load during the depression. As the member for Comox-Alberni (Mr. Gibson) said, when there is a strike it is the small local merchant who carries the load. In the last great depression the small merchant carried many families while the breadwinners were out of work.

I say to the Minister of Justice that these amendments of his are just one example of the things he and his colleagues have done this session that would not have been tolerated several years ago. In my opinion this government lacks the experience, guidance and political wisdom of a recent prime minister. In conclusion I protest against the amendments, and I do so on behalf of the people who, as I said before, are the backbone of every community, and especially on behalf of those small business people operating within the riding of Wentworth.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, I am pleased to take part in this debate. First of all, I congratulate the Minister of Justice (Mr. Garson) and the members of the cabinet for having introduced a bill which will be passed, I hope, by a large majority.

I am speaking today on behalf of the electors of Russell and also as a small general merchant, as a small retailer with thirty-five years of experience, seven as manager of a store and twenty-eight as owner. I say, and truly so, that I am a general merchant since we sell drugs, groceries, hardware, dry goods, all kinds of building materials, feed, farm implements, trucks, tractors and jewelry, rings and watches. In other words we sell everything from pins to a truck, a tractor or bulldozer, goods worth from five cents to $25,000.

I can therefore claim a fair amount of familiarity with the retailer's problems. I must say that the position taken by our friends of the opposition does not surprise me in the least, because I have been following their policy for over twenty-five years. They have not changed. In fact I believe they are getting less and less serious; we all remember that they repeatedly stated, between 1945 and 1949, that we should do away with all controls. At that time, the Liberal government deemed it wise to remove controls gradually as the supply became sufficient to meet the consumers' demand. Yet since 1949, that same group has been asking the government to reimpose controls which they have themselves condemned.

During the last session, we have been criticized for doing nothing to check inflation. When legislation was introduced to curb the extravagant amount of credit granted on items, most of which were not essential to the population's well-being, this helpful legislation was again criticized, although it had greatly reduced the price of certain goods, especially automobiles, refrigerators as well as a large quantity of other goods. I think I know something about this since, in my store, I have a pretty complete line of goods for sale. I never fail to advise people not to go too deeply into debt because, as everyone knows, it is always the less well off that suffer most since their creditors force them to pay up, even though they might thereby lose all they have.

Right now we listen to the Conservatives upholding price maintenance in the name of the small retailer. Come, my friends, let us be more serious about this! You wish to protect the financier, the manufacturer, the wholesaler, the chain store operator. More than that, you want to turn one small group into the dictators of Canadian trade and make the small retailers their slaves. Should you succeed we would merely be the distributors for that group which would henceforth bend us to their will. Again the little people would be duped. In this way combines and trusts would grow more numerous and powerful and the retail trade of this

country, in the very near future, would be controlled and directed by a few hundred individuals.

No, Mr. Speaker. I submit that the small retailer like myself, whether he is a general merchant or a grocer, is one of those who have done very great service to Canada. The small shopkeeper is his customer's friend. Always ready to serve him honestly, he lives with him and is at all times prepared to be of service. He helps his community in all its social assistance activities, does his very utmost to improve his town or city and works in the interests of both workers and farmers. His outlook being such, he therefore does not want to be compelled to make a higher profit than he thinks is fitting; he is capable of obeying the laws of the land but he is opposed to the dictatorship of certain sections of society.

Mr. Speaker, retail price maintenance is harmful to 95 per cent of the people of Canada, even to a great many of those who are in favour of it. It allows too large profits to be made. People are much more intelligent than our Conservative friends seem to think.

When the margin of profit is too wide, the buyer realizes it and cuts down his purchases. The manufacturer is unable to sell his goods: that is against the interests of the industrialists themselves since it leads to unemployment. The people who, due to circumstances, are compelled to buy those goods pay too much; they are taken advantage of and that leads to a rise in the cost of living.

The small merchant who is compelled to sell certain goods at fixed prices does not dare reduce his prices for fear of not being permitted to buy other supplies. On the other hand the large stores, due to their purchasing power, are much more independent; if the manufacturer refuses to sell them his products he risks losing a large customer and he knows quite well that this large store can buy elsewhere. Furthermore, the large retailers advertise much through the medium of catalogues, radio, newspapers, etc. They advertise other goods which draw the customers and are thus able to sell their wares at fixed prices. Customers are allowed discounts on certain goods when purchasing such and such an article sold at a set price. Most often these are items the customer could easily do without for the time being.

No, Mr. Speaker, the small retailer is not asking for any favours. All he wants is to be treated the same as others; he wants to do business unfettered. Why should the manufacturer treat him so unfairly. Why should he grant the large store discounts of 10, 15 and even 25 per cent more than is given the small retailer?

I would not mind an additional 2 to 5 per cent discount, since it does cost a little less to sell and deliver in large quantities, but there should never be more than a 5 per cent difference between the small retailer and the large retailer. From the information made available to us it is clear that the small retailer sells the greater part of the manufacturer's production and it is through him that both manufacturers and wholesalers make their profits.

The small retailer should be the one to be assured of reasonable protection on the part of manufacturers. If the latter continue to protect more and more chain stores of every description, department stores and all types of establishments with great purchasing power, they will soon find themselves at the mercy of the operators of these stores who will dictate to them the price which they are willing to pay, will make them produce at a loss, thus forcing them to cut their employees' salaries or close shop altogether. These large retailers will then have their own way with the manufacturers, the small retailers and the consumers of this country. They will thus tell us what to do, while continuing to exploit us.

I leave to our friends, the Tories, the task of defending their friends, these few millionaires who think only of increasing their profits but forget that Canadians are not so easily deceived.

Again, Mr. Speaker, I ask my government to continue, as in the past, to protect the interests of the less privileged people, who cannot defend themselves as well as others. I take this opportunity of inviting all Canadians to make a still greater effort to increase production of essential commodities, not only to meet the needs of every Canadian but also to enable us to help the people of less fortunate countries than our beautiful Canada. We will thus help fight inflation and assist people of countries less privileged than ours. This would draw upon us the gifts of divine Providence, permit us to check communism and contribute to increase the respect of other peoples for Canadians.

In conclusion, I say that we will not only prove that we have a dignified and great

Prime Minister, but that the whole Canadian people is following his example, and wants to see Canada prosperous, while helping to ensure prosperity in other countries.

(Text):

Mr. Arthur Laing (Vancouver South): Mr. Speaker, in this debate I have seen a number of lawyers and others metaphorically donning their gowns and getting in behind the counters. Because prior to coming here I had 25 years of business experience, I should like to give the house some of my impressions, gathered out of that experience, as to the effectiveness of this legislation. I was in a business where we acted as manufacturers, wholesalers and retailers, a rather unique position. We endeavoured to establish our retail prices by quite extensive advertising. We found that some retailers we supplied broke our retail prices. In all the years I was in business we did not do a single thing by way of reprisal against any of those people because in my mind—although I did not know it; I never inquired—I would have thought that it was against the law. I think we would be much safer in this country if we always have regard to this fact, that when a seller disposes of an article to a buyer the seller has severed his connection with that article; and when a person owns an article he has a perfect right to do with it as he sees fit.

I am supporting this legislation not because I think it is going to have any large-scale effect on the cost of living. I do not think it will roll back our inflationary trends very far, but I am supporting it because I think that security and not initiative has become the first consideration of too many business firms in this country for their own good. There has been a portrayal on the other side of the house that this is going to result in harsh and bitter times for retailers. I do not believe they can produce any evidence to that effect at all. I will tell you what I think it will do. Because I believe there are going to be cut prices in some lines, I think it is going to result in the greatest stimulation of sales in this country in the last year. That is what I think will happen.

Our state of business is not determined by legislation such as is involved in this bill. The state of business is determined by the fantastic ability of a public when aroused to do without. That is how it is arranged. So-called good times in business occur when a man says to himself: "I must buy this article today because I think it will cost more tomorrow." Recessions in business occur when a man says: "I will put off buying this today because I think it will be cheaper tomorrow". Buying patterns are the result of a great measure of mass psychology in people. You get great masses of people who say: "We had better wait a while and we will buy more cheaply." Those are the things that affect business and always will affect business.

One of the recent phenomena in business is the growth of business associations. I do not like to speak about conventions, because a great many of the conventions that are held today are the veritable parliaments of the industries concerned and they do a very great deal of good to industry; but almost everybody today is having a convention, and some of them in the most peculiar places, the farther away the better. I know where they grew up. They grew up in the good times we have had in the last ten years in this country, and many of them have developed because the instigators knew that first Ilsley and now Abbott would be paying for them. I feel there is this feeling on the part of some of those who are heading these conventions, that we are going to be able to be more secure in our business with possibly less effort than we have had in the past. In the old days you used to say that of every one hundred businesses that were formed, seventy-five were going to be out of business in five years. That is a thing which the businessman today is trying to avoid. He does not want to take any more risks than he has to.

There is a great demand in this country for individual security, and it is natural today. I think there is an attempt in the country to obtain business security and the security of corporations. I have this idea, that were that to be guaranteed by any means it would probably mean the denial of security to the individual. I believe that a number of the consequences and results that have flowed from any industrial associations constitute a most disquieting and indeed dangerous phenomenon in our recent industrial development. I am not going to say that the work of all industrial associations is wrong. I think the exchange of credit information, for instance, results in a social good so long as a blacklist is not compiled out of that exchange.

I have seen—and I must say I saw some evidence of it in the committee that sat here—the development of what I term a new aristocracy of business, and I do not think it is either a sound or a good thing. The businessman today, in his relations with his government, apparently does not want to come down to see government. He has intercessors here. They are a group of high-priced legal help, groups of high-priced accountants and professional advocates of special causes,

and a number of them were before that committee. At the best they had nothing more than a superficial knowledge of what they were talking about. The best advocate for business I saw there was the old gentleman Hougham, who is now retired in the province of British Columbia, a man with a great deal of experience of his own in business. He was accorded by the group that brought him there some ten minutes, I think, but their lawyer who said he had intensively studied this subject for two weeks spent a day before the committee. Well, I think that business will do itself a great deal more credit if in its relations with government it sends practising businessmen to see governments instead of professional help such as these. I seem to read that there is some attempt here to assure profit without risk, without too much conflict and indeed without too much effort. That has not been the history of business on this continent. I think it is socially unsound for business to attempt to ensure profits upon that basis. I believe it has to be prepared to take risks, because it has built itself on that basis. Indeed, this continent has built itself on that basis. My friends of the C.C.F. opposite will not agree with me, as they do not think there is such a thing as free markets any more. I realize that today free markets are compromised by the situation that exists throughout the world, but the closer we keep to free markets the more secure we will be. I am quite certain it will be a better day for business if business returns to the free competitive market.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, this debate has already brought forward suggestions that might make it very difficult for anyone listening in the gallery, who was unaware of the previous events which brought this bill before parliament, to understand just why it is that we are discussing this bill if we accept the government's statement as to the reason for its being brought forward. Hon. members know that this legislation was indicated in the speech from the throne as a measure the government was prepared to adopt to deal with the inflation about which they had assured the people that they shared the public concern.

Perhaps there are those who might wonder why it is that only now, at this stage of the session, we are dealing with this very important legislation. That would be natural, unless they had been kept in touch with what has taken place. Anyone who asked the government why this legislation that is to deal with inflation has not yet been disposed of would doubtless receive the reply that the government thought it wise to appoint a committee made up of members of the House of Commons and of the Senate to consider this matter and make recommendations to the house. In form that answer might be justified; in reality it offers no explanation at all.

There is no hon. member of this house who does not know perfectly well that this bill was decided upon in its present form, and that the committee was only an intermediate step to give some appearance of bringing members of the house and of the Senate in contact with this problem before it was presented. The setting up of the committee was a sham. I am indebted to an hon. member who spoke last night, an hon. member who ordinarily supports the government, for coining the expression minister of make-believe. I hope I shall not be criticized if on this occasion I accept that very apt term which was applied by a Liberal member to the Minister of Justice (Mr. Garson), the minister of make-believe.

Mr. Studer: Why not get something original?

Mr. Drew: I could not help hearing the highly original words that came from my right rear, but I prefer to deal with the subject under discussion. The minister gave reasons why this important legislation should go before a committee. It went before that committee. It must be remembered that there was also placed before the committee an interim report—I emphasize the word "interim"—which had been sent forward by the MacQuarrie committee at the request of the Minister of Justice. It made certain arbitrary findings, and those were available to all members of the house before the house and Senate committee was appointed.

Not one word of evidence was appended to that report; not one single statement of fact interpreting the evidence before the MacQuarrie committee was made available. When an effort was made to bring before the committee of the house and the Senate the evidence which had been available to the MacQuarrie committee, that opportunity was denied. We had nothing but the statement of the MacQuarrie committee as to what they thought should be done. Therefore the committee of the house and the Senate had before it an incomplete report without supporting evidence. We as a house are now called upon to deal with the recommendations of a committee whose work was incomplete and which was not permitted to obtain evidence which would have placed this matter in some objective form before the House of Commons and the Senate.

Even if any member was predisposed to support in general principle the idea of making it illegal to enter into any arrangement in regard to the retail prices of goods of various kinds, I suggest that a sense of responsibility to the supreme authority of this House of Commons, this high court of parliament, would indicate to him that we should not take action of this kind, having such sweeping consequences, when we have had so little evidence, I might say no real evidence, before us upon which to act.

Others describe this as the high court of parliament. We are members of that high court of parliament. As members of that high court of parliament we have a duty to maintain its dignity and its traditions. We have a duty to maintain public respect for the procedure by which the laws of this country are enacted. No matter what emotional approach there may be to a subject of this kind; no matter what inclination there may be to simplify the manner in which we shall deal with this extremely important question of inflation, no member of this house should be prepared to cast his vote in support of something which will have a tremendous effect upon the whole established commercial structure of Canada without being able to say: I have heard the evidence and on that evidence I am convinced that this is what we should do. To hear some of the arguments that have been made—arguments, I repeat, unsupported by evidence—one would think that the passing of this bill into law is something of immense importance to the consumer. Yet within the past few minutes we have heard an hon. member, who referred to his long business experience and who said that he proposes to support the measure, tell us nevertheless that he is not supporting it because he thinks it will have much effect in reducing prices or lowering the cost of living but, if I understand what he said, in the belief that completely free competition is a better economic process than some measure of restraint such as has become established in the country over the years.

That is an understandable argument, but I would point out it is one that relates entirely to economics and trading practices, and that not one word the hon. member spoke suggested that in his mind there was anything in the nature of a criminal offence in trade arrangements of this kind. When the hon. member expressed his opinion as a businessman that the measure was not going to have any substantial effect on prices he was repeating exactly what the Prime Minister (Mr. St. Laurent) said earlier in this session. If we accept the opinion of the Prime Minister, if we accept the opinion of the hon. member who has just spoken and who bases his opinion upon his years of business training, then we are not discussing something which is going to have much effect in stemming the tide of inflation. Yet it was in that light that this measure was placed before us.

Hon. members will recall that when on more than one occasion during the course of this session the Prime Minister was urged to take some steps to deal with inflation and the cost of living, which is threatening the comfort, security and happiness of so many of our people, his answer was that the only measure contemplated during the course of this session to deal with that problem was the one now before us. Yet by his own statement, and from statements made by other members who support him, it is not anticipated that it is going to effect any substantial reduction in prices.

After all, there is statistical support for that view. One of the businesses which would be most affected by the complete abolition of agreements as to prices for various articles would be the drug business. That has been quite frankly admitted. The Minister of Justice (Mr. Garson) and others have recognized it. Therefore it seems to me that certain figures should be before the house to indicate what has been happening in the drug business compared with other retail marketing, to show just how serious this is. The last figures available as to the increase in items sold in drug stores compared with the period of 1935-39, which is used as the base period for the cost of living index, are the figures for January 15, 1951. It may be that the bureau of statistics has later figures, and if so I would be very pleased if they were placed before the house, but these are the last figures I have been able to obtain.

They show that in relation to the base period of 1935-39 some 319 drug store items, taken as representing the broad basis of this business, had risen to 122·2 compared with the figure of 100 for the base period I have mentioned. The nearest figure I have as to the cost of living index is that for February 1, 1951, and that was 175·2 compared with the figure of 100 for the same base figure of 1935-39. Thus we see that while the cost of living index had risen by 75·2 points up to that time from the base period, the increase in the cost of 319 representative items sold in drug stores was 22·2 points.

Mr. Garson: Were they price-maintained or not price-maintained.

Mr. Drew: These are price-maintained. I point out that from these figures you will see

that these things, which were sold under a system that is being put before the house as something evil and dangerous, rose in cost to the people who use them by substantially less than one-third of the extent that the requirements of our daily life, which are included in the cost of living index, rose during the same period. It seems to me that if the government really wants to tackle the cost of living, then no matter what they do on this measure they should be tackling it some place else. If the government want to tackle the cost of living they can tackle it in several other places. I think I heard the hon. member, whom I cannot identify by the sound of his voice, say "Where?" I will remind him of the place where I suggested many months ago they could make the first and most effective saving, and that was in the cost of government and the public business of this country. Recently we had some very conclusive evidence from the Auditor General that there were ways in which this government could save money. We have seen many ways in which the government could save money. Why, this government has itself discovered ways it can save money. Unless I am mistaken it has found that in handling transactions under the Veterans Land Act it is now very satitsfactory to have solicitors employed by the Department of Veterans Affairs do that work. Only a few days ago a return was tabled showing a figure of $345,000 paid to someone whose face is not yet unfamiliar to members of the House of Commons.

Mr. Rowe: It cost more than that, probably.

Mr. Drew: No doubt. And there were other substantial payments for this special kind of work which, strangely enough, seemed to be closely associated with interests of other than strictly legal minds, which are in common with the present government.

Mr. Mutch: That is hardly your best effort.

Mr. Rowe: It was not your legal employees' best effort, either.

Mr. Drew: I am quite prepared to let the hon. member who has spoken express either publicly or privately his opinion as to whether the government got its dollar's worth for the money it spent in that way.

In any event it has come to the conclusion that there are ways money can be saved in that type of transaction. The government has found other ways that money can be saved. But I am still hoping that at some time we will have the same kind of success we have already had, partially, in connection with defence expenditures, and that after continuing the argument we will get a committee or a commission to study the cost of the organization of government. I am not in any doubt as to what it will be found possible to do by way of savings at that time.

But, to answer still further the question of how this can be done, I would say that the place the government can best tackle this problem is in its taxation. This bill is not put before the house with any thought that it is going to reduce the cost of living substantially, or that it is going to halt inflation. The Prime Minister (Mr. St. Laurent) has said so. The hon. member who spoke immediately before me said so. That is not the reason. There are other reasons to which I shall refer. If the government had any idea of trying to reduce the cost of living at this time it would have brought before the house a budget of some kind which would have made it possible to remove that 25 per cent increase in the sales tax that was unnecessarily introduced this spring, a tax which is directly inflationary in all its applications. It would also have removed those special excise taxes it introduced, and would have removed some of the credit restrictions it put into effect this spring—not all of them, but some of the severe credit restrictions that have had such a serious effect upon building, and upon housing, and upon other matters that are directly related to the comfort and housing of our people.

When I say that, let me point out that some measure of restraint on credit was highly desirable, and to the extent that it was desirable we would certainly commend it. But in case we have any of those very lightly-made remarks about the fact that we suggest something, and then say why it should not have been done, may I point out that the government itself has made it quite clear that it believes there is some maximum point beyond which taxation or restrictions cannot go without defeating its own purpose. That was the very argument made by the Minister of Finance (Mr. Abbott) when he introduced the budget last spring. At the time it was suggested that an additional tax be imposed on some articles that are already heavily taxed, he said that while it had been agreed that it was a good thing to tax those particular articles, there was a point beyond which you could not go.

What has happened since that time has amply demonstrated at least the correctness of the general observation made by the Minister of Finance at that time. We have seen in the case of cigarettes that there is certainly a point beyond which you cannot go in,

on the one hand, collecting taxes and, on the other, continuing to have the respect of the public for the laws of the land. We have seen these taxes create smuggling on a scale never before known in this country. We have seen Canadian workmen deprived of work in the tobacco factories of this country because the excise taxes have gone so high that, with all the chances of penalties involved, it has now become profitable to smuggle cigarettes into the country and undersell the domestic product. We have had arguments in the house which have suggested that this does not meet with the entire disapproval of every member in the house. Nevertheless I believe most hon. members think it is desirable to retain respect for our laws; and if for no other reason it would have been wise to place before us a budget which would have made it possible to revise these taxes which are causing the situation I have described.

But, quite apart from that situation, the government could have taken anti-inflationary steps and could have tackled effectively the problem of the cost of living, if it had removed that 25 per cent increase in the sales tax, and removed some of the unnecessary excise taxes on things which most people find it necessary to buy.

No, there is some other reason for this bill. The bill is, in fact, just a red herring to try to distract attention from the fact that a government, which indicated that it was just as much concerned about inflation as was the general public, was really prepared to do nothing during this session. The measure, of course, may have some other purpose. A very interesting reason for the desire of the government to force this through without hearing what could be termed complete evidence is suggested in the *Financial Post* of December 15. Under the heading "Nice Timing," the editorial states:

> The government at Ottawa seems to have inherited some of the canniness for timing which the late Mr. King possessed.
>
> Rightly or wrongly, the banning of resale price maintenance will probably be law by Christmas. Anything which the parliamentary committee uncovered had no effect either in changing government plans or in dissuading it from acting hastily.
>
> January is usually the month for sales. This year with physical volume of retail sales probably below last year, there may be more than usual. The traditional price reductions should come at just about the same time as the banning of RPM takes effect. If there are price reductions, to which factor does the government expect the voters to give the credit, the normal after Christmas sales to clear out inventories or to the banning of r.p.m.? You guess.

I might say that the words "you guess" are included in the *Financial Post* article. I would not use such peremptory terms to you, Mr. Speaker, even following so suggestive an article as that. Those words appear in a very pithy article in a publication which I think is unanimously respected by all members of this house for its objective approach to public problems, even though they may not entirely agree with it at all times. The minister of make-believe—

Mr. Garson: Never made as good a thing as that.

Mr. Drew: No, but you are hoping to. The minister who has made such a colossal and fantastic failure of dealing with the Combines Investigation Act, which is now on the books, hopes to be able to make the public believe that what he is doing on this occasion really will have some effect. Instead of these being January sales, at least an attempt will be made to leave the impression with the public that, after all, the period of Santa Claus is past but these are Garson's sales. We do not know what costume will be adopted. The season of Santa Claus will be gone, but the season of the minister of make-believe will have come. As the minister has said, in the past he never thought up anything as good as that. It may be that someone else suggested it to him.

Mr. Garson: The *Financial Post.*

Mr. Drew: The fact is that everyone here knows there will be January sales. There have been for as long as I can remember, and I assume that there will be for some time to come. In the very nature of things goods that have been on sale at Christmas, and which are carried over, are not kept on the shelves. These goods are offered at lower prices to stimulate sales at a time when people's pockets are just a little empty, and when some inducement is regarded as desirable to persuade them to buy.

Perhaps the *Financial Post* had some reason for believing that this was correct. What reason is there? Why could not the joint committee have sat through in the ordinary way? Why should we not at this time be passing a resolution empowering that committee to continue sitting between sessions to hear evidence? It did not complete the hearing of evidence, and no one will seriously suggest that it did. Why are we being asked to rush this legislation through? First of all, because this is the only measure the government has offered to the public in answer to its demand that something be done about the cost of living. Moreover the government is well aware that, if further evidence were heard, a great deal would be put before the committee to raise a question as to whether or not this is the wisest course.

Reference has been made to an editorial in the Kingston *Whig-Standard*. I propose to put part of it on the record, because although some members may have received a copy of it, possibly all have not read it. I also am not forgetful of the fact that there are those outside of the house who read *Hansard*, and who may be interested in an analysis of this situation which in no way reflects upon any member of the house. It does indicate the opinion of a newspaper, in this case published by a prominent and highly respected Liberal who lives in Kingston. I shall quote the last two paragraphs of that editorial of December 12, 1951:

> It is significant, we think, that only one group so far, if we may judge from the evidence submitted to date to the parliamentary committee, is wholeheartedly in favour of outright abolition of resale price fixing. That group is composed of a number of mass buyers and sellers of merchandise—firms which may be described as the giants in Canadian merchandising. Their approval of abolition strongly suggests that the fears of the small merchandisers are well founded, and that the latter would be at least severely and unfairly handicapped by legislation which would permit huge rivals to sell at a fractional profit or even at a loss. Since the practice of using "loss leaders" or sharply cut prices to swell the number of visitors to stores is by no means uncommon, the position of the small merchant becomes apparent.
>
> The entire question of resale price fixing is definitely not a simple one, as we noted above. It is complex, and its very complexity should be sufficient to indicate that a simple solution like abolition will not solve the problem. For our part, we think the government could very well forget about resale price fixing for the moment, and concentrate upon the strengthening and rigid enforcement of the laws forbidding price-fixing by combines. If these are effective in assuring unrestricted competition, there would seem to be very little to be feared from resale price fixing as it is now practised.

Although I am reminded that this editorial has been sent to many of the members, it was quite evident to me that they had not all read it. In fact I find some of them reading it even at this moment.

Mr. Maltais: Did the hon. member read the editorial in the *Globe and Mail*?

Mr. Drew: I would be very happy to do so.

Mr. Maltais: Why does he not quote the first two lines of the second paragraph?

Mr. Drew: I shall be very happy to have the hon. member read into the record the whole of that editorial after I have finished speaking. May I say that the hon. member might be interested in seeing the editorials that have appeared generally, in addition to those which he is reading at the moment, which have suggested that regardless of the merits this is a subject which should be dealt with more carefully than it is being dealt with at this time. Right across this country there has been a general expression of opinion that we should not be suddenly tearing apart a commercial structure, which has been built up over the years, upon the basis of an incomplete report from the MacQuarrie committee, an incomplete report from the committee of the house and Senate, and incomplete reports from earlier times.

In that respect may I refer to something that was said in this house yesterday. The hon. member for Coast-Capilano (Mr. Sinclair) was speaking on this subject, and when he spoke I could not help thinking that he was trying to make the best he could of an extraordinarily unpalatable task. In fact I should like to know the real opinion of the hon. member for Coast-Capilano in regard to the complete and over-all banning of agreements of this kind. Of course, as will be recalled by hon. members who heard his speech yesterday, that was not what he was dealing with. He was dealing mostly with what he described as the Tory party. I must admit there probably was a certain measure of satisfaction in the applause he received from the Liberal members on his own side. They found something to applaud that was not related to this bill. Not many of them really applauded this bill, no matter how they vote. In this gathering which provides, for the exchange of ideas, opportunities that are not confined to the floor of this house, there are not many hon. members who do not know perfectly well that no matter what the vote may be, there is not applause for this bill on the part of a large percentage of the Liberal members. I for one greatly commend those Liberal members who have already spoken and who have expressed their opposition to this measure in terms which I have heard other Liberal members express in private conversation.

Mr. Sinnott: How many?

Mr. Fleming: Lots of them.

Mr. Sinnott: Name them.

Mr. Fleming: Lots of them.

Mr. Drew: However, the hon. member for Coast-Capilano really warmed up to his subject, and he had a good time. In this season of the year no one should be in any way displeased with the fact that he had a good time, no matter whether his remarks found complete approval by other members of the house; and of course, as I have already said, his speech provided the members on his side of the house an opportunity to do some applauding that was not in any way related to the bill itself. But in his exuberance and his enthusiasm for carrying out his self-appointed task of tracing certain imaginary

history, which he had created, of the Conservative party, I must say that he wandered a little bit from reality on one or two occasions. In order to demonstrate the fact that Mr. McGregor had been called as a witness by a member of the Conservative party, that approval of Mr. McGregor had been expressed in this house and, apparently—though that was not said—that we must therefore of necessity accept anything he put forward, the hon. member for Coast-Capilano had this to say, and I am quoting from yesterday's *Hansard* at page 2152:

> On this question, the greatest authority in Canada on combines, the man who has beaten them, came before this committee and said that the abolition of resale price maintenance will do just that. That man of course is Mr. McGregor, who was combines commissioner for 25 years. He was requested by the hon. member for Lake Centre (Mr. Diefenbaker), at page 670 of *Hansard* as follows:
>
> "Let us bring in Mr. McGregor because I am sure that if his lips are unbridled, if he comes in unhobbled by any consideration other than to help the committee, he will make some revelations that will be most interesting and I am sure most helpful in suggesting effective amendments to the act."
>
> A little later on he said:
>
> "He is the number one man in this business if we want to get at the facts."

Then—and I am still quoting from *Hansard*—I made this remark:

> Mr. Speaker, for the purpose of the record I think it is proper that it should be pointed out that the quotation that has been read with its customary clarity related to the argument that this committee should be dealing with the whole question of the combines act and not with this limited subject.

Then the hon. member for Coast-Capilano is reported in *Hansard* as replying—and I might say that he replied with his customary courtesy—as follows:

> The leader of the opposition as usual is wrong, because this quotation is taken from the earlier part of his remarks before he developed the theme about having a complete combines investigation. Having established this in the first part then he went into the theme about having a complete investigation.

Mr. Speaker, I recognize the fact that the hon. member for Coast-Capilano was not reading the whole of *Hansard*; he probably was reading from a typed extract, and that might explain the situation. But the hon. member for Lake Centre had been emphasizing that day, as he has emphasized at other times during the course of this and other sessions prior to November 2, that we need a general revision of the Combines Investigation Act. Every hon. member who has followed the debates is well aware of that fact. During the whole of the time I have been in the house the hon. member for Lake Centre has been insisting that the Combines Investigation Act be amended so it will be an effective instrument to deal with those offences which it was intended to deal with.

In the speech on November 2 to which the hon. member for Coast-Capilano referred, the hon. member for Lake Centre several times repeated: Let us review the act. Is there anything unjust in that? And he went on to indicate that he thought there were many things that must be dealt with, that penalties must be imposed that would make this act effective, and that there must be provisions which would make it a truly effective act in every way. Those remarks were not covered by the reference that was before us. Those remarks would have had no meaning whatever if they had been confined simply to this limited reference.

Since the hon. member for Coast-Capilano saw fit to quote part of what the hon. member for Lake Centre said, I should like to quote a little bit more, because it explains why there must be a certain measure of amusement in the minds of most hon. members when they listen almost with awe to the minister of make-believe and note the atmosphere of sanctity with which he seeks to surround the figure of Mr. McGregor. I think a quotation from what the hon. member for Lake Centre (Mr. Diefenbaker) said at that time will indicate just what it was that he was referring to, and why there is some surprise at the extent to which the minister of make-believe is now prepared to follow unquestionably any recommendation that may be made. I am quoting from page 670 of *Hansard*, which was the page referred to by the hon. member for Coast-Capilano (Mr. Sinclair):

> Let us bring Mr. McGregor before the committee. We might even have the minister give evidence after his statement in Vancouver when he said that Mr. McGregor did not understand the finer things, did not understand the representations that had been made to the flour milling corporations. Let us have them both there and then we shall see who will be made a monkey of, then we shall see who will go on whose head. Let us bring in Mr. McGregor because I am sure that if his lips are unbridled, if he comes in unhobbled by any consideration other than to help the committee, he will make some revelations that will be most interesting and I am sure most helpful in suggesting effective amendments to the act.
>
> I am not going to continue further as my time is up. If this committee is to be set up let it be a committee of both houses with powers wider than the narrow and confined one comprised in the resolution. Let there be representatives of the producers and consumers, and Mr. McGregor. He is the number one man in this business if we want to get at the facts. If the government is anxious and desirous of doing something to mobilize the opinion of the House of Commons, then widen the ambit of the resolution. Let us not have the carefully restricted term of reference, the obviously carefully restricted one of the resolution. Let us have one wide enough to enable the committee to make recommendations concerning not only resale price maintenance but the entire field of combine and monopoly legislation.

These terms are clear enough, Mr. Speaker. And may I point out simply, so the record will be clear, that the words that were quoted by the hon. member for Coast-Capilano—

He is the number one man in this business if we want to get at the facts . . .

That was the point where I interpolated; and they did come after his very clear demand that there be a committee to cover the whole field.

Let me then come to something else that was said yesterday by the hon. member for Coast-Capilano when he was doing his special pleading on this subject. I am quoting from what he said at page 2144 of *Hansard*, and this was the time when he was really under a nice head of steam. This was at the time the hon. members, who had been sitting on their hands in a sense of frustration because so many of them had found this legislation unpalatable up to that time, began to find reasons for applauding when, to his own satisfaction at any rate, he whaled the stuffing out of the Conservative party.

Mr. Ward: And did a good job.

Mr. Drew: Of course not paying much attention to the bill itself. There is a point in what the hon. member had to say which should not be passed unnoticed, because I fancy he was given an incomplete brief on the subject. I quote from page 2144:

It is true—

I should like to go back a bit because the hon. member had this to say:

I should like to start off by reminding hon. members that the principal purpose of this legislation now before the house is to further strengthen the Combines Investigation Act.

Apparently at the time the speech from the throne was written that was not the view that was held, but this now seems to be the party line, at least. I continue:

We on this continent are all fairly familiar with the history and the story of combines legislation. With the great growth of industrial power in the United States, combines, trusts and cartels, formed by powerful groups of selfish people in order to exploit the consumer to the utmost, began to be established. President Teddy Roosevelt around the turn of the century established the first anti-combine legislation. The vicious practice of combines spread to this country and we were the second country in the world to establish, in 1925, under a Liberal government, anti-combine legislation. We have a good record with regard to the breaking up and the prosecution of these illegal combines, monopolies and cartels; in fact, we had a record second to no other nation in the world.

Might I point out how discreet and with what great caution the hon. member for Coast-Capilano said:

We had a record second to no other nation in the world.

That was before the flour milling report.

Mr. Sinclair: A typographical error.

Mr. Drew: Oh, no. I think this was one point where, perhaps inadvertently but nevertheless very wisely, the hon. member for Coast-Capilano showed appreciation of the importance of words, and he said in fact: "We had a record second to no other nation in the world". I will come back to that because I think perhaps we had a fairly good record up until the flour milling combine report. I continue to quote from *Hansard*:

It is true last spring there was a delay in the publication of the milling report—

Some hon. Members: Oh, oh.

Mr. Drew: That really is a masterpiece of understatement. I continue:

It is true last spring there was a delay in the publication of the milling report—

I am sure—

Mr. Sinnott: Eleven days, to be exact.

Mr. Drew: Oh, no; I hope the parliamentary assistant to the parliamentary assistant will obtain better information as to that.

Mr. Gibson: Why is he kept under a bushel?

Mr. Drew: I continue:

It is true last spring there was a delay in the publication of the milling report—

I think the hon. member for Coast-Capilano forgot that the delay had extended back to the previous December.

Some hon. Members: It was 1949.

Mr. Drew: Yes; December, 1949.

Mr. Hees: Just two years out.

Mr. Drew: I continue:

It is true last spring there was a delay in the publication of the milling report, between the time of the report by the commissioner and the presentation in the house, because of a difference of opinion with the wartime prices and trade board, as to what undertakings they had given the millers under wartime price control.

This was the point where the hon. member was really working well. He goes on:

But in all the records of the twenty-seven investigations of the combines investigators I would recall to the attention of hon. members that there are five reports which have never been published, five investigations made under the regime of the Bennett government. There was the combine in the manufacture of radio tubes in 1931, unpublished;—

Hansard does not record the applause at that point. I go on:

the manufacturing of fruit baskets in Ontario in 1932, unpublished; the distribution of coal in eastern Canada, 1933, unpublished; the manufacture of rubber footwear in Canada, 1934, unpublished. and the sale of gasoline in Ontario, 1934. unpublished.

If *Hansard* had recorded the applause, as the reports of speeches sometimes do, there would at this point be loud applause and desk thumping on the part of the Liberal members. But I can only conclude that the hon. member for Coast-Capilano, who was making this highly political speech at that time, a speech which may have hidden some of his own private thoughts about the advisability of complete banning of this long-established commercial practice, either forgot what the facts were or had been given an incomplete brief from which to work. Of course this is not in any way as simple as it seems. I think in this case the Minister of Justice (Mr. Garson) will recall the very substantial change that had taken place at a later date in regard to this act which was introduced, as has been pointed out, by the Liberal government and which remained substantially in that form until some years later.

Those reports that have been referred to by the hon. member for Coast-Capilano (Mr. Sinclair) were not commissioner's reports; they were not reports similar to the one to which he referred when he spoke about this matter as being slightly delayed. It is important to remember the great difference which has taken place in the act as it indicates the evolution that has occurred and why we regard it as being so important that there should be a general review at this time of the Combines Investigation Act to bring the evolution further still more in keeping with our changing commercial and trading practices in this country.

The act at the time the hon. member mentions called for an entirely different procedure. I might say that it was not 1925, as the hon. member stated, but 1923 when it was introduced. That act placed certain responsibilities upon the registrar, who was a permanent official and who was Mr. McGregor at the time. The procedure followed at the time the five reports he has mentioned were prepared was that the registrar would make a preliminary investigation. He then reported to the minister who examined the report. The report was made to the minister simply for the purpose of consideration. If it was regarded by the minister as justifying that course, the minister would appoint a commissioner or commissioners to conduct an investigation. When the commissioner or commissioners had made their report, then and then only would the provisions of section 28 of the act as it was apply as to publication. That provision was quite similar to the provision which has been carried forward and which applies at this time to the reports of the commissioner under the act.

The five reports that were tabled were not reports that called for publication. That was the act introduced in 1923. I simply mention that because an erroneous impression might be left on the record and someone reading *Hansard* might get the idea that the reports to which the hon. member has referred were similar to that one which, to use his terms, was slightly delayed last spring.

Mr. Sinclair: In view of the fact that the hon. gentleman has questioned the accuracy of my statement, I wonder if he will permit just one question? Is he aware that all the ten earlier investigations made under the Liberal party between 1925 and 1930 were published despite the fact that, as he says, the law did not demand publication, and that all the eleven reports made after the Liberals returned to power from 1935 on were also published? It was only the five reports on combines prepared under the Bennett regime which were not published. It is quite true that there was no law requiring publication at that time, but I point out that the Liberal government published all their reports while the five reports listed here under the Bennett regime were not published.

Mr. Drew: I am very happy to hear this plea on behalf of the Liberal party. The fact remains that the procedure was entirely different and it would be most improper to leave on the record the impression that these were reports which called for publication under the law as it then stood.

Mr. Sinclair: We published ours but you did not publish yours.

Mr. Drew: This government does a great many things of which we entirely disapprove. So far as that is concerned, may I suggest that there may have been excellent reasons for not publishing the reports when publication was not demanded. We believe, and I think most members of the government believe, that business should have some chance to be heard and be given an opportunity to state its case. The mechanism that is now provided approaches this problem with some idea of giving the business people of this country, as well as others, an opportunity to state their case.

Let us dispose of any suggestion that those other reports were withheld under circumstances in any way similar to those under which the flour milling combines report was withheld. I think the best statement to be found on this subject is contained in the memorandum of resignation of Mr. McGregor, presented to the minister to whom he was

responsible on October 29, 1949. The minister will remember that memorandum because there was a great deal of discussion about it. In fact that memorandum had a good deal to do with smoking out that report. I should like to read the first three paragraphs and part of the fourth of that memorandum of resignation of Mr. McGregor, dated October 29, 1949, as follows:

> The principal circumstances which have led me to submit my resignation as commissioner of the Combines Investigation Act can be stated briefly.
>
> First and foremost is my deep concern about certain tendencies that have been apparent in recent months which in my opinion seriously threaten the usefulness of this legislation.
>
> One of the principal remedial measures provided by the Combines Investigation Act is the publication of reports of investigations.

May I emphasize the words that follow:

> The withholding for so many months of publication of a report which the act requires shall be made public as soon as possible after its receipt (this is the only instance of the kind in my experience) is one illustration of the tendencies I have in mind.
>
> Closely related to this are the differences of opinion on basic policy that have been revealed in our recent discussions relating to the flour investigation and report.
>
> I am not raising any question of your obvious right and the right of anyone to point out errors in any work I have done. The criticisms made, however, have not been directed particularly to any error of fact in my report but primarily to the policy that was followed. You have expressed the opinion that the inquiry should never have been started.

There is the reason Mr. McGregor resigned; that for the first time in his experience—he had been registrar long before the earlier date mentioned by the hon. member for Coast-Capilano until he became commissioner—there had been a withholding of a report of that kind.

I have mentioned this simply to clear the record which was placed before us yesterday. But, Mr. Speaker, I have also mentioned it for another reason. When we are told that this committee seriously attempted to examine this subject and that it was objective in its approach to this problem, then I would only add that anyone who makes that statement should read the speech made in the house yesterday by the hon. member for Coast-Capilano (Mr. Sinclair), a cheap, tawdry political speech by the member who had been chairman of the committee. Instead of coming here having in mind the responsibility he was called upon to accept as chairman of the committee, he came here and made a tub-thumping political speech which doubtless relieved his own feelings and appeared to bring a certain measure of satisfaction to members on the other side who are not too happy about this legislation anyway. But it was not a contribution in keeping with the consideration deserved by legislation that is going to affect, whether for good or for bad, thousands and thousands of small merchants across the country and those who deal with them.

Again may I say that the speech made last night by the hon. member for Quebec-Montmorency (Mr. LaCroix) was another which suggested that perhaps the *Financial Post* was not so far wrong when it offered its explanation as to why this legislation was held back so long and then, having been held back so long, is now to be put through with such indecent haste. The hon. member for Quebec-Montmorency in his remarks last night was echoing those meaningless and very worn-out propaganda arguments that this was an example of the subservience of the Conservative party to big business. What a preposterous argument when you examine the measure we are considering and the circumstances that surround its presentation to the house.

As was pointed out in earlier speeches and in editorials in papers not unfriendly by any manner of means to this government, the only people who appeared to be anxious to have this legislation passed, so far as the committee was concerned at any rate, were those very big businesses which apparently would stand to gain by the abandonment of these long established practices. I am not going to engage in any exchange of pleasantries about big business or little business. I do say that the little businesses that are close to the people right across this country are the backbone of the commercial life of Canada, but I also say that as Canadians we should not condemn any business simply because of its size. I most earnestly suggest that we recognize that these big businesses have also advanced our commercial practices.

The fact is that we want businesses big and small competing fairly and properly and in the general interest of the public under laws that are in the best interests of the people of Canada. But if there is to be any division on the basis of big business and little business, then most certainly on this occasion the government has aligned itself with big business; and it comes with very bad grace for the hon. member for Quebec-Montmorency to pull out these rusty darts and throw them around as loosely as he did last night without any regard to what the real target is and what it is we are really trying to do. If there is any alignment with big business look across the aisle from me now and see where that association lies. Big business? Why, I interpolated a remark last night when the hon.

member for Quebec-Montmorency was speaking in such unflattering terms and using phrases that might very well have been questioned if we had seen fit to do so, and asked if the speech which was being read had been prepared by one of the other hon. members; because I recognize that when it comes to big business there are experts on the government side who are able to speak about this very practice from their own knowledge over many years. I thought perhaps he had been seeking some expert advice and conceivably even had had a few choice phrases prepared which were the product of that long experience in this very activity.

We certainly are considering something that affects every Canadian today; and the consideration with which one should start every approach to this problem is the public interest. Is it in the public interest or is it not? If it is in the public interest then it should be supported. If it is not in the public interest then most certainly steps should be taken to deal with that subject. I have already pointed out that with the increases in the cost of living there have not been proportionate increases in drug prices. I think it will be realized by all hon. members that those things covered by agreements of this kind are not the things that are included in the cost of living index and are not the first things people have to buy to maintain their homes and the comfort and welfare of their families. I pointed out the difference in 319 drug store items compared with the general cost of living. I pointed out that whereas there had been an increase of 75·2 points in the general cost of living up to January of 1951 there had only been an increase of 22·2 points in these 319 representative items. I wish to correct an answer I made to the minister when he asked if these were all items under agreements. I did not have the note in front of me at the time containing the reference to that point. Of those 319 items, about 50 per cent are on the maintained price basis, and the others are articles of the other kind. But that in no way affects the general argument, because those are items which are in the general drug trade. And if there were any substantial increase it would be reflected in the over-all increase, and of course would be reflected in the general price of these representative items which I have mentioned.

Mr. Garson: May I ask the hon. member if the rate of increase is the same in each of the two parts?

Mr. Drew: I will be very happy to seek further information. But may I say, without unkindness at all, that I would have thought that in expounding such a vigorous argument in support of the legislation the minister would have sought, through the bureau of statistics, information in regard to this very subject. It was because I had not any such information that I did my best to obtain it.

Mr. Garson: I did not know about your 319 articles until about three-quarters of an hour ago.

Mr. Drew: Oh, Mr. Speaker, the minister has just given another very strong reason why we should not be dealing with the bill at this time. Although he tells us it is so important to pass this legislation, he admits that up until this was mentioned during my speech he did not know anything about the drug items, or what had happened to the cost.

Mr. Garson: No, no. My hon. friend cannot say that. He came into the house this afternoon and said that 319 articles in the drug trade, which he did not attempt to identify, were increased by 22 per cent over the 1935-39 figure. But he did not identify them. We have no means of checking them with any information we have. I am simply seeking information concerning a statement which was given wrongly in the first instance, and which the hon. member has now corrected. I am asking him again if he can tell us whether the increase is uniform in both components of his total figure. If he will get that information, then I say he had no need to pass any remarks about what we have done.

Mr. Drew: Oh, yes I had; because the minister is the one who is advocating the adoption of this measure. On the other hand we are strongly opposing it because the minister has not given us any facts to support his contention. Indeed, he admits he has not got the information. I have used figures, and he will have plenty of opportunity to deal with them later on. I assure him he will have plenty of opportunity.

Mr. Garson: Answer the question, that is all.

Mr. Drew: I am saying that just as in other trades representative items are chosen, there are 319 representative items chosen in the drug industry. And I have asked the minister a question, since he indicated that he had the information and did not give it to us, if he would now tell us what his information is in regard to the increase in drug store items. Would he like to give me the answer now?

Mr. Abbott: You answer, first.

Mr. Garson: Mr. Speaker, this is a very interesting exchange because, although I am

on my feet, at the moment the leader of the opposition has the floor. He is making the speech.

Mr. Drew: I did not put you on your feet.

Mr. Garson: I have asked a question in relation to his speech, and he has given me an incorrect reply. Then I have asked a supplementary question, as to whether he will be good enough to oblige me with the figure he is using and the proper breakdown of it; then I would be more than delighted to deal with the whole subject matter to his satisfaction, I hope, when it is my turn to speak.

Mr. Drew: So far as giving any incorrect answer, I would point out that in response to a question across the floor, in an exchange of remarks, I gave an answer which I have now correctly placed before the house, and within the same speech. There is nothing incorrect on the record. What I have done is to use 319 representative items. And I suggest that if the minister was properly accepting his responsibility as the minister supporting this measure, and asking us to pass upon it, he should have given us some information which really showed that this was a matter, in this particular type of business, which should be dealt with by legislation of this kind.

Now, so far as this measure is concerned, there is one particular consideration which I have already suggested should always be in our minds. I refer to the public interest. The minister is well aware that in the Combines Investigation Act itself there is an attempt to measure any offence in connection with combines upon the basis of public interest. As he knows, where an offence is created in relation to a combine, there is a reservation in that respect. In that part of the act which defines a combine it makes reference to certain specific things such as:

(a) limiting facilities for transporting, producing, manufacturing, supplying, storing or dealing, or

(b) preventing, limiting or lessening manufacture or production, or

(c) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation, or

(d) enchancing the price, rental or cost of article, rental, storage or transportation, or

(e) preventing or lessening competition in, or substantially controlling within any particular area or district or generally, production, manufacture, purchase, barter, sale, storage, transportation, insurance or supply, or

(f) otherwise restraining or injuring trade or commerce,

All this comes under the word "combine". And then the section continues:

—or a merger, trust or monopoly, which combination, merger, trust or monopoly has operated or is likely to operate to the detriment or against the interest of the public, whether consumers, producers or others.

The interesting words there are "which . . . has operated or is likely to operate to the detriment or against the interest of the public".

Then we come to the Criminal Code, and we find there is a reservation, in somewhat similar language, where it says that it is an offence to "unduly prevent or lessen competition". And that word "unduly" means, and has been interpreted to mean, to an extent that is not reasonable in relation to the public interest. So the consideration has been the public interest. In all these matters that is the thing that has always been borne in mind.

In this particular case there is no such reservation. There is an absolute and complete banning of a system that has grown up over many years and which, with constant extensions, has been operating I should think during the lifetime of everyone in the house, at least to some extent. We all recognize that the practice has been increasing in recent years and has become so deeply embedded in our whole commercial system that, to say the least, we would be doing something that would have very far-reaching effects if we were to pass a measure having such wide powers as the measure before us.

The interesting thing is that in all the arguments put forward there has been an assumption, without any supporting evidence —and I repeat "without any supporting evidence"—that there are sound reasons why this practice should be abandoned. There has been no attempt to analyse and dispose of the arguments put forward as to why this practice should be continued.

One of the things, of course, which has been put forward, and which was mentioned by the minister in his remarks, was the fear that has been expressed by the small businessmen across this country who have been, to some extent at least, following this practice, that this would create a further centralization of commercial power in the hands of monopolies. One of the instruments they fear, and one of the devices to which they have referred in their arguments, is that which is known as the loss leader. The minister quoted a definition of a loss leader which had been given, and which I agree does not adequately define the loss leader, as he correctly pointed out. For the reason that we have not had before us an adequate definition of a loss leader, I want to put on the record what I believe is as clear a statement as to what a loss leader really is as I have yet seen. I wish to quote

briefly from an article in the December edition of *Cosmopolitan* magazine under the heading "When is a bargain not a bargain?":

> Not so long ago a retailer advertised dollar bills for sale at ninety-five cents. Nice, crisp greenbacks fresh from the United States mint. Only one to a customer. No deliveries. No exchanges. No telephone orders. People flocked to the store. You might have been in the crowd yourself, because you certainly can recognize a bargain when you see one. You might also have wondered how dollar bills could be sold for ninety-five cents. Your good sense told you that fools go broke and that philanthropists practise charity strictly after business hours.
>
> That being the case, was there a catch in this curious sale? There was, of course. A very simple catch, as old as this country, but modernized and streamlined for superefficient hoodwinking.
>
> The retailer knew that people would be attracted to his store. He knew that most customers would also buy a lot of the merchandise displayed on counters and shelves. In the prices of these goods were hidden the retailer's handsome profits.
>
> The dollar bill sale, although it happened only once, symbolizes and dramatizes the extremes to which these come-ons go. Retailers offer something —called a "loss leader"—for nothing. They build their bait around national brand products whose value is as familiar to you as the worth of a dollar bill. They advertise these selected, honourable products at a cut price. Then competitors meet that price or slash below it so that they, too, can be regarded by the public as sterling champions of the consumer.
>
> The price cutting on these products goes on and on until it may become possible to buy merchandise at less than the cost of its container. Dazzled by the bargain, very few customers realize that the retailer is no more cutting prices than the magician on the TV screen is sawing a woman in half right before your eyes. What the retailer is doing is juggling prices.

Then I should like to quote from that same article the words of a great supporter of those ideas which most of us think contribute greatly to the general welfare of the people. I refer to Mr. Justice Brandeis.

Mr. Garson: I think that was quoted previously this afternoon.

Mr. Drew: Perhaps it was, but I prefer to quote part of it in the context of what I have to say. I am not quoting the whole of it, but he says:

> Shall we, under the guise of protecting competition, further foster monopoly by creating immunity for the price-cutters?

That, Mr. Speaker, I think is a question that should be answered effectively in the minds of every one of us before we are prepared to support a measure of this kind. We have sought to put before this house arguments that are directly related to this extremely important subject. I submit that no argument that has yet been presented from this side of the house has been directed to anything but the consideration of this subject. It is by all means the small purchaser, dealing with either the small or large store, who must be considered by the members of this house in passing legislation. Starting from that premise, however, we should not too lightly disturb a long-established commercial system whose whole existence is dependent upon the satisfaction of that small purchaser.

Why are these stores located all over this country today? Why are these small stores spreading into every community, that they have almost become part of the home life of our people? They are there because the people of this country are supporting them. If the people did not believe in the system that has been in practise they had other places to go. They have shown their support of the large store through their mail order business, and when they visited the larger cities. The larger stores had no reason to complain about lack of business, but under this system the small stores have been able to give that kind of service which means so much to all our people. Let us not destroy all the drug stores across this country with the suggestion this is the device by which they make so much money that all they can do is go ahead and put on fancy fronts, gilt and glitter instead of giving efficiency; that is what the minister said. If the members of this house think that, then they put a very low estimate upon the judgment of the people of this country.

Think of what happens in so many cities, towns and villages. The drug store is no further away from the home than the telephone. Most people who have a telephone can call a drug store and have the things they want delivered. They not only get what they want; they get something they know is going to be good. They get something that is produced by a manufacturer whose name has been before them as the manufacturer of quality articles. They know their families are going to be safe when that particular article is used. That is a consideration which should not be overlooked when we have presented to us such strong arguments on behalf of these small stores which are giving service to our people, and which are so much a part of the life of our people that even in difficult days they carried thousands of dollars in debts on their books rather than refuse goods to customers.

These merchants have played their part in the life of this country, and I believe the people of this country know that. I think they want these merchants to be able to continue to give service. Competition has not been disposed of. There is still competition between manufacturers, and there is competition in service between the stores themselves. Surely this government is not putting before us the suggestion that they are turning the clock back more than one hundred years to the one historic doctrine the Whig

party ever had, the old Manchester doctrine of complete and unrestrained freedom of commerce. I cannot believe it. They certainly have never indicated their support of that belief in recent years. It should be remembered that the doctrine which can best be described as that of "the devil take the hindmost" is pure competition. If this argument is being based on pure competition, then I suggest that the history of all the agony that followed the acceptance of that principle be recalled when we are considering something that has to do with the method which recognizes that there has to be some balance between completely unrestrained competition and severely restricted competition.

What we want is competition under the rule of reason. We want competition which is in the interests of the people. It is within the powers of the government to do something about that matter. Other governments have done so. Because their commercial methods are so similar to ours, it is not inappropriate to recall—as has been recalled by other hon. members, including the minister—that forty-five of the forty-eight states in the United States have fair trade laws under which agreements of this kind, where they are not against the public interest, are approved and validated.

In this country an effort was made to introduce an act of that kind. It was a Conservative government that introduced a kind of law which I gather the C.C.F. party now believes in. That was a measure known as the Dominion Trade and Industry Commission Act. The Prime Minister (Mr. St. Laurent) will remember that measure quite well because, as I recall it, he was counsel in the case that followed. I think that is correct, is it not, Mr. Prime Minister?

Mr. St. Laurent: Yes.

Mr. Drew: That was an act which followed this very practice. Section 14 of that act would have dealt with price and production agreements, and that act would have followed the general practice followed in forty-five of the forty-eight states in the United States. The minister has compared prices in the small states with prices in the adjoining states. What is interesting is that the forty-five states are showing no apparent reluctance to carry it along, and there has been no strong evidence that the consumers in those states are not happy about it.

Mr. Garson: Oh, oh.

Mr. Drew: Perhaps the minister has further evidence on the subject. When I said "the small states", I was referring to Maryland, which he mentioned as adjoining the capital area.

Mr. Garson: Would the hon. gentleman include Texas as a small state?

Mr. Drew: No. Texas is a large state. I was referring particularly to Maryland in relation to the capital state. But as is known by hon. members, section 14 was held to be ultra vires by the Supreme Court of Canada. In other words the court held that this matter did not come within the general trade and commerce provisions of the British North America Act, and that it did not come within the criminal provisions. I suggest that is a consideration that should be dealt with before this high court of parliament deals with this subject. Parliament should be quite sure that a subject which was regarded as being outside the jurisdiction of the parliament of Canada, where it was to be dealt with in a positive way, is within the jurisdiction of the parliament of Canada when it is to be dealt with in a negative way.

I think the amendment, now before the house, namely that this bill be not now read but that it be read some day six months hence, could be regarded as something more than merely a blocking motion. I suggest that it could be regarded as a motion which would give the government an opportunity to examine a number of things that have not yet been examined, if the evidence the government has in its possession has really been placed before the house. I express the opinion that there is a grave question as to whether the bill now before us is within the jurisdiction of this parliament. I should like the Minister of Justice to tell the house what independent opinions he has had as to the validity of this measure. I know that practice has been followed generally in the case of similar legislation in the past. Independent counsel of the highest standing have expressed their opinion, and that opinion has been presented to this high court of parliament before parliament was called upon to act.

I believe this measure deserves further consideration. We are putting this motion forward in what we believe to be the best interests of the people of Canada. We regard this measure simply as a red herring to distract attention from the failure of the government to act with regard to inflation. No matter what the purpose may be, however, having regard to the close relationship between the consumers of this country and the small stores I urge the government not to disregard the arguments that have been made, and to take further time to consider so important a step affecting the welfare of so many Canadians.

At 6.15 p.m. the house took recess.

Combines Investigation Act

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, in taking part in this debate at this late hour of the session I should like to say first that perhaps I can express an opinion that has not heretofore been voiced, and I want to be very fair in what I say. In the first place, I have had some experience in manufacturing a product which people today cannot buy for five cents, but which is not worth any more than five cents. In the second place, I have had considerable experience in wholesaling, or jobbing as some people call it. By virtue of this experience I did have an interest in the retailer. I will be frank and say my primary interest in him was his ability to pay his bills. I approach this argument from that standpoint on rather short notice, and, also, I must admit, after hearing what I think has been one of the finest debates hon. members have ever listened to in the house, to my knowledge. True, it was heated at times; but none of us can honestly say that we regretted that heat, because it did generate ideas and opinions that to my way of thinking, and I believe to most of us, should be taken into serious consideration.

Let me say first, Mr. Speaker, that I was not a member of the committee that had the privilege, if I may term it such, of reviewing some aspects of the MacQuarrie report. I say now that I have interest in this legislation as a consumer and for other reasons, as I have just stated. I went into the committee room for the purpose of hearing what was going on. Quite frankly, Mr. Speaker, I regret having to say this, but never before in my experience here—and I can also speak for hon. members who have served in this house much longer than I—was a committee engineered—and I use the term "engineered" advisedly—as this one was. They could have threshed old straw, but they were not even permitted to do that.

I have said to my friends that if I were to make up my own mind on this problem I would want to have an expression of opinion from those much more qualified than I am; and I was not prepared to adopt the ideas expressed by any member of that committee, nor will I be prepared to make up my mind and come to a sane conclusion on the merits of this proposed legislation, in view of my experience, without having before me the evidence of those most concerned. That would include the manufacturer, the jobber, the retailer and the consumer. When I found to my amazement, and I think to the amazement of this country, that this committee were in such a terrific hurry that they would not permit representations by the retailers who were so vitally concerned, I wondered, as did these people and those friends of each one of us in this house, what they would think.

I am sorry, Mr. Speaker, that the committee room was not big enough to accommodate representation from the ordinary consumer from every province of this country so they could watch what went on in the committee. It certainly would have been an eye-opener to each and every one of them. I hope—and I think I share the opinion of many in this house—that never again will a committee be set up that will be bridled as this one was. It might never have been set up, because it served no purpose except to express to the people of this country the conclusion that this government was determined to go through with the proposed legislation which, they tried to give the impression to the public, was going to benefit them.

That opinion has been shattered so far as the public is concerned, and the opinion of the government has been shattered, as we all know, by the last five by-elections, but the point I make is this. The committee was not permitted to hear evidence which was so vital to everyone. There is no one in this country more entitled to hear what may be said for or against price maintenance than the people vitally concerned. When I see a big company like Eaton's giving their stamp of approval to this type of legislation it makes me wonder—and I represent 45,000 or more people who I think share my convictions—what can be behind it. Mind you, I would not be taking up the time of the house if I thought for one moment that any member of this government had the slightest idea that this legislation would reduce the cost of living. We are all concerned about the cost of living, but I defy any member of the government to stand up tonight or any other time and say that this proposed legislation is going to reduce the cost of living. Not so long ago the Prime Minister (Mr. St. Laurent) stood up in this chamber and said—I do not propose to quote his words in detail—that this legislation would have little if any effect on the cost of living. When I see big business stepping into the picture and expressing their well-conceived ideas to the committee I begin to wonder as a common man just what it means.

I should like to give an illustration in order to substantiate what I have been saying. Some people in the house may not

like what I am going to say, and some people in industry may not like it, but I do not care. I feel that the moment you take on the responsibility of being a member of the House of Commons you expose yourself to the bar of public opinion and you must be fair to your people regardless of whom you might hurt. That has been my attitude in the past and it will continue to be my attitude as long as I am in this house.

I am going to recite to you an experience I had with big business some twenty years ago when I was engaged in the jobbing business, mainly of tobacco. At that time we had at the head of the Imperial Tobacco Company a man who conceived the idea that he was going to have a monopoly in the tobacco business. I want to be fair and say that his successors did not share his views. I know that the present president of the Imperial Tobacco Company certainly does not have the same ideas that man expressed and intended to put into effect. They started a price war because they were the largest unit in the tobacco manufacturing industry in Canada. They also had some jobbing outlets in the various provinces. This particular president had the idea that they were going to get it all. At that time we had a margin of about 11 per cent on gross turnover. Let me be frank and say that was more or less by agreement between the jobbers and manufacturers. In addition to having jobbers in the various provinces this company had the United cigar stores as their retail outlets.

In order to have an almost complete monopoly in Canada they decided to cut prices and put the jobbers out of business. There is no denying that fact. They had practically control of the tobacco industry, and they had control by that time of the cigar manufacturing industry. There is no denying that, and I think some hon. members on the other side will agree. This particular individual decided that he wanted to control the tobacco industry from the production angle, and they decided to cut prices through their jobbers.

Every individual in business is entitled to a fair profit, but no more. I hold no brief for certain retailers who have been getting exorbitant profits. I think there are people in the retail business today who are not good merchandisers. I can say that from experience. Whether the retailers like it or not, I am going to say that there are some retailers in this country who enjoy a higher margin of profit than they should get or could get by with if they were smarter merchandisers.

In order to get control—I think this has to do with the principle of this particular bill—this company decided to give discounts through their wholesale outlets. Then they made the suggestion that they would be interested in buying out other wholesalers who were their competitors. You and I—I am speaking to the members of the house—believe in good sound competition; we do not believe in monopolies or cartels. I am going to relate what happens when some of these needed restrictions are released. They did not succeed in buying out many jobbers. The point I am trying to make is that if either a government or business pursues a policy whereby any individual or corporation can by means of an act of parliament or legislation of any other sort become a monopoly, or conduct their business in such a manner that there is really no competition, that is not good for any type of business nor is it good ultimately for the consumer. If a large corporation, such as Eaton's, want to get rid of a well-known brand, if they have little industries of their own making that particular product they will undersell the nationally-known brand for no other purpose than to enhance the sale of their own product with the ultimate object of putting out of business the little independent manufacturer producing the goods which were originally sold to all retailers. Let there be no mistake about that.

We must be on our guard today. I appreciate the views that have been expressed by hon. members on the other side, but we must be on our guard against any individual or corporation which is not just looking forward to tomorrow but to fifteen, twenty-five, or fifty years from tomorrow. The basis of our business system today is competition. I think everyone will agree that competition and the product itself are what govern the price.

I have something to say which I am sure will be of interest to hon. members, in view of the fact that the T. Eaton Company made certain representations to the committee on this proposed legislation. At about five o'clock yesterday or today, they withdrew from the Canadian retail federation. Members of the committee know what stand the retail federation took with respect to this matter.

An hon. Member: Go on, "Murph", Christmas is coming.

Mr. Murphy: I know it, and I am taking a train tonight. However, if you want to tantalize me I will go on for my full forty minutes.

Mr. Riley: Are you tantalizable?

Mr. Murphy: Another Irishman could tantalize me. That is right. You were very kind to me the other day so I should not tantalize the other part of Ireland.

Mr. Riley: Or this house.

Mr. Murphy: There is one other aspect on which I think there will not be any dispute by any hon. member of the house. We all live in cities or municipalities where in all probability there are chain stores. It may be the A & P, Loblaws or Dominion Stores. I am going to put on the record tonight something which I regret having to place there. We all know that the number of items under price maintenance in grocery stores is small compared with the number in other retail outlets. In my experience I have never found a big chain outlet that has built its own store. They come into a town or city and rent store space or have a store built to their specifications which they rent. I come from Sarnia, and we have Loblaws, Dominion Stores and the A & P. We all know the size of the chain stores in our various cities. There is an A & P store on the main street of the city of Sarnia. I have no idea what their annual turnover is, but they pay to the municipality the insignificant—I was going to use a word which might not be parliamentary—sum of $460 per year in taxes.

Mr. Gibson: What is the matter with the assessment?

Mr. Murphy: I am interrupted now by the hon. member for Comox-Alberni (Mr. Gibson). I wish to heaven he would get some constituency that would be easier to pronounce.

Mr. Gibson: I am simple, though.

Mr. Murphy: You had better run in Ottawa. I can pronounce Ottawa very easily. So many of us forget that after all is said and done these chain store operators do not pull their load. While some people may say it is the fault of the municipal assessment, I think you will find that situation pretty general throughout the country. Then we have a large Dominion store market. It is on a splendid location and is about 80 feet wide by 125 feet deep. I think hon. members will agree it is doing more business than fifteen, twenty or possibly thirty independent good retailers in the same business. It pays a little over $700 a year to the municipality. The point I want to suggest for consideration of the house with respect to chain stores and independent retailers is that in my locality, and I think it applies to all, it is certainly not the chain store operator who is on the city council or board of education, or is a member of a service club or leads community chest drives. You will find it is the independent retailer, regardless of what business he may be in, who is the leader in his community. Let us give that situation very serious consideration.

I have always believed that every individual has a moral right to enter into a social, business or legal agreement with his neighbour provided such agreements do not infringe on the rights of a third party. I would hate to see the day in this country when I could not make an agreement with anyone with whom I deal provided it did not do any injustice to a third party. I have the idea that some people have the opinion that this legislation is going to outlaw these agreements. I do not think it will, and I do not believe the business people think it will. I am satisfied from the hundreds of telegrams and letters received by members of the House of Commons that the consumer will not think for one moment that it will.

I share the opinion of the consumers of this country that this legislation is nothing but a hoax, an idea of the present government to give the people the impression that this is one way of curbing the cost of living.

An hon. Member: It is almost train time.

Mr. Murphy: There is certainly one way of curbing the high cost of living, and that is for the government to remove the excessive taxes imposed on the wage earners of Canada. There is no occasion for us to have a surplus of some $605 million for the first seven months of this year when it was not budgeted for. The point is that if we are going to budget for payment of the national debt, the budget should say so when it is brought down. Let us not go for eight, nine or ten months and then say we have a surplus which can be used to pay the national debt.

Mr. Gibson: On a point of order, how can the hon. member make these remarks relevant to the question of combines?

Mr. Speaker: I think the hon. member might address himself more directly to the principle of the bill.

Mr. Murphy: Thank you, Mr. Speaker. The hon. member for Comox-Alberni gets up for the fun of it. He is trying to become a good Liberal and he objects every time I get up to speak.

Mr. Brown (Essex West): You mean he is a good Liberal.

Mr. Murphy: This legislation is proposed in the hope of reducing the cost of living. I say the government should reduce the cost of living by reducing taxes. That would be the effective way. No one in business or even out of business—

An hon. Member: 8.31.

Mr. Abbott: What time does the train go?

Mr. Murphy: —objects to honest competition, and I think we all agree that piracy in business went out of style a long time ago. There was a time in the retail business when probably they did get higher margins than they do today. I think that competition and the quality of a product determine pretty well what a consumer is going to be obliged to pay.

In common with all consumers, I am concerned about what we have to pay for what we have to buy. I believe that a reasonable and rational amount of resale price maintenance is not only a good thing for all concerned—and I am referring to the consumer —but it is definitely a good thing to ward off extensive price cutting, with all its attendant ills. When yesterday I heard the chairman of the committee refer to the prices of some particular products, the thought occurred to me that when a manufacturer produces a product he is also determined to get it to the consumer level and, to assure its resale, he must continue its quality. I believe that, in all fairness, the manufacturer is entitled to suggest a retail price for his product.

I am one who has been in business and who holds the view that if you have a good product, then it is essential that it must be advertised. There are some who have the idea that resale price maintenance is improper. I disagree with them. Some say it is wrong, but the mere fact that they make that statement does not make it wrong, especially when there are people who are ready to demonstrate that it is not necessarily so. Unfortunately in the committee which was set up those people were not afforded the opportunity that could have been provided for them to make a decision.

I have always felt, from the standpoint of the retailers, that no one in a successful business can offer his product to the public on a hit and miss price basis. True, there are different levels of overhead expense, and those various levels determine the price at which the product must be sold. I should like to refer to what has happened in the last few years in the grocery trade, where to a considerable extent they deal in tobacco. Just before the dinner recess I heard of an illustration in which the man's turnover on tobacco was 30 per cent. The margin to the retailer on that commodity today is only about 11·7 per cent. If there should be a price war—and some might be inclined to favour a price war in view of the present high prices paid for cigarettes—the margin would be even lower. The high price of cigarettes, of course, is due to the policy of the government, and the injury affects not only the consumer but the independent retailer.

I am sure no one will disagree when I say that 11·7 per cent is a very small margin for any retailer. When I hear of some businesses in which the turnover is about 30 per cent in tobacco lines I sometimes wonder how they manage to carry on without having to use the red ink.

It seems to me this legislation, which the government now deems so very important, could have been brought down years ago and not at this late hour in the session. It is nothing but a smoke screen. I have no hesitation in saying that this is being done by the government to cover up its inability to produce legislation to deal with the high cost of living.

I should like to place on the record, though it may have been done before, a statement by Mr. Justice Louis Brandeis, when he said:

> The Sherman law seeks to protect men in the right freely to compete, and to prevent practices which must result in compressing competition. It seeks to preserve to the individual both the opportunity and the incentive to create. It seeks to encourage individual effort. The right of an individual manufacturer in a competitive business to market his goods in his own way—by fixing, if he desires, the selling price to the consumer—is in entire harmony with the underlying principle of the Sherman law.

And it was John Ruskin who said:

> It's unwise to pay too much, but it's worse to pay too little.

And the people should remember this:

> When you pay too much, you lose a little money —that is all. When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do. The common law of business balance prohibits paying a little and getting a lot—it can't be done. If you deal with the lowest bidder, it is well to add something for the risk you run. And if you do that, you will have enough to pay for something better.

Few people in Canada know the difference between vertical price cutting by a manufacturer to protect his brand name and goodwill and horizontal price agreements between manufacturers. Mr. Justice Holmes said:

> I cannot believe that in the long run the public will profit by this court permitting knaves to cut reasonable prices for some ulterior purpose of their own, and thus to impair, if not to destroy, the production and sale of articles which it is assumed to be desirable that the public should be able to get.

In conclusion I should like to make just one further statement, and I make it on behalf of the retailers and consumers not only in my own area but in many other areas of Canada where there are unemployed. This is one factor which has not been discussed to any extent in the house. I refer to the service

given by independent retailers to the consuming public. Today when we see unemployment, not only in western Ontario, including Sarnia and Windsor—

Mr. Brown (Essex West): Speak for Sarnia.

Mr. Murphy: I am speaking for Windsor, too. Your trouble at the Ford motor plant is creating unemployment not only in Sarnia but throughout the province of Ontario. It is the independent retailer who today will be obliged to give credit to the unemployed in these various places in order that, at this Christmas season, they may have a bite to eat.

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, after listening with close attention to the very able address of the hon. member for Lambton West (Mr. Murphy), I feel that perhaps I can confine my remarks to ten or fifteen minutes.

It was not my privilege to serve as a member of the committee on resale price maintenance, but I did take the opportunity of attending a number of the sittings and listening to the discussions, as I felt this legislation was of great importance. I can assure the house I found them most interesting indeed.

There has been a desire on the part of hon. members who have taken part in the debate to discuss the matter seriously, and I believe that thus far the debate has been conducted along that line. It is true that there have been sharp clashes reflecting different points of view, but that is to be expected when we are dealing with legislation as important as this.

After listening carefully to a number of discussions in the committee on resale price maintenance I must admit I was somewhat puzzled as to the reason for bringing this legislation before the house now, without having further evidence to justify its support. I do feel that had the matter been given greater consideration following the report of the MacQuarrie committee, which I believe was based principally on theory and not on fact, the government would have refrained from taking what I consider such a drastic step. At the beginning everyone realized that this measure was undertaken by the government in good faith. Most of us believed it was an attempt to do something about the high cost of living, but since this debate has started that has been disproved. We can all agree that that is not the case. My opinion, sir, on the basis of the debates in the committee, would be that action against this resale price maintenance structure would not be in the interests of the consumer, as the sponsors of the bill would have us believe. Until more evidence is submitted I could not possibly support the bill before the house. When a measure as important as this, and of such far-reaching consequences, comes before this House of Commons I feel we should have sufficient time to debate and discuss every detail of it.

We were elected from 262 constituencies across the country for the purpose of giving thorough and earnest consideration to every bill that comes before the house. That is our responsibility. I feel that we would be derelict in our duty as members if we did not study this bill very carefully, despite the fact that it is close to Christmas and many of our members would like to catch a train tonight if they could. I should like to be among them. I do feel sincerely that we have to give careful consideration to this bill, because it has such far-reaching implications. Those who are urging the banning of resale price maintenance describe this measure as one which will protect the consumer from high prices, and which will ensure proper competition. We will all concede those are desirable and admirable objectives. We would all like to see that happen. It has become apparent, however, that this matter of resale price maintenance is not as simple as it seemed in the speech from the throne.

When this legislation was announced, the protests that were registered came chiefly from the small retailer across this country. His contention was that the huge retail organizations would undersell him, and would gradually force him from the sale of those lines of goods. As the hon. member for Lanark (Mr. Blair) pointed out the other evening, many of our returned soldiers across this country have set up small businesses, and have become established under the present system. I, for one, could not support legislation that might interfere with the success of those enterprises. I feel that powerful retail establishments would be in a position to dictate prices on their own terms. There is not a member in this House of Commons who would want to see a monopoly in any kind of business. I have sufficient confidence in the members of all parties to believe that is so. But we would not want to see business controlled by large corporations of any kind. We have the Combines Investigation Act on the statute books of our country for the purpose of preventing such an occurrence. I feel that the banning of resale price maintenance could not help the situation, but would create the very condition the government and parliament are attempting to avoid.

Every member of this house knows full well that competition is maintained at the

production level, and that any concern about it at the retail level is not warranted. Prices simply cannot be held at exorbitant levels, except under illegal combine, at the manufacturing end. I believe it is not the retail end of sales about which we should be concerned. It seems significant, Mr. Speaker, and this fact was mentioned by the leader of the opposition (Mr. Drew) this afternoon, that the only group which submitted evidence to the parliamentary committee that was 100 per cent in favour of banning resale price maintenance was the group which comprises the huge organizations, and which is now increasing to the point where its members could be well described as giants in industry. This fact alone would indicate to me, and I take it to many members of this house, that we should not plunge into the banning of resale price maintenance without further study of this tremendously important step.

When the manufacturer sets the retail price of his article he knows he is setting that price in competition with other resale price-maintained goods and he is also setting that price in competition with goods not in that category or classification. As was pointed out in the committee, if the government would concentrate on ensuring the rigid enforcement of the law forbidding combines and cartels it would assure unrestricted competition, and I doubt very much if we would have any reason to fear resale price maintenance in the retail field.

During these long week ends when we Ontario members occasionally go home on Friday night and come back on Sunday evening, we have the opportunity of consulting with our constituents. During the last three or four week ends I have been conducting a sort of one man Gallup poll amongst the people of my constituency on this very matter. I will say that the people of Haldimand county are intelligent people. They study these matters carefully, and I found them fairly well informed about this legislation and the extent of the discussion that had taken place in this house. They are somewhat concerned about one or two matters in connection with this bill. They are concerned as to what the result will be when price maintenance is removed from price-maintained lines. I also found that they want to be able to buy everything they require at any store in the neighbourhood, particularly the little corner store near their residence; that is one thing which is very important to these people. They like to feel they can buy as cheaply in one store as they can in another, and receive what they consider is honest dollar for dollar value. They also want to retain the privilege of choosing between branded goods and other goods not price-maintained. I strongly urge the government to hold over this legislation for future consideration and study. I feel that the amendment moved by the hon. member for Kamloops (Mr. Fulton) is one that we should consider seriously because of the implications which this bill might contain.

Sir, if I may be allowed to do so, in support of some of the views I have expressed I should like to give you some references from the press; and I will do this briefly and will obey the rules of the house as far as they relate to quotations from the press across Canada, because I do not believe we should abuse this privilege we have of making some reference occasionally to their opinions on matters of importance, such as an issue like this.

Mr. Speaker: Order.

Mr. Fulton: Some hon. members might carry on their private arguments outside the chamber.

Mr. Abbott: Why?

Mr. Speaker: Order.

Mr. Catherwood: I should like to make a few references to some of the newspapers that have expressed their views on this matter, and I will refer briefly to some of these quotations. One is from the Peterborough *Examiner* which the hon. member for Peterborough West (Mr. Fraser) knows well.

Mr. Fraser: I did.

Mr. Catherwood: The headline is "Confusion about Resale Price Maintenance". It states that the government would be wise to postpone action for the present, giving those who oppose and those who favour it more time to state their case. Then it goes on to say there is no reason why the Department of Justice should not increase its vigilance in dealing with price-fixing combines and put into effect laws which are now on the books dealing with loss leaders.

I might also quote from the *Globe and Mail* of December 14. The headline of the article is "Dangerous Half Measures". It points out the same thing. It says that the dominion government's chief accomplishment in dealing with the resale price maintenance issue has been to bring its own sincerity into question. It introduced the measure with the announced intention of pushing it through the various house stages as soon as possible. As we all know, it was rushed through the committee stage and brought back to the House of Commons. In all these deliberations not even one comma was changed when it was brought

back to the House of Commons, so the committee apparently did not make any suggestions that were worth-while.

Then I should like to refer to a quotation from the London *Free Press*, which I may say has always taken a neutral attitude in this matter. I will just briefly refer to one or two points. I should like to read it all because it is extremely important; however, I will not do so. I quote:

> . . . Now the bill to ban price maintenance is going before the House of Commons in its original form it will almost certainly pass. But it is doubtful if the effect on the cost of living which has quietly continued to rise will be great . . .

That is just one extract from the London *Free Press*. This afternoon the leader of the opposition (Mr. Drew) referred to an article appearing in a leading financial newspaper. He made reference to the fact that the implementation of this act will work in conjunction with the January sales that will duly take place in the merchandising field. In support of this I could perhaps quote an article from the St. Catharines *Standard*, which is headlined, "Method in the Madness of Justice Minister in Forcing this Law Through Against Retail Price Maintenance Before the Christmas Adjournment."

Mr. Fulton: "Madness" is right.

Mr. Catherwood: It goes on to state that it is the practice of all merchandising firms to have their January sales, and the only thing we can say about this that might be creditable to the Minister of Justice is that his planning is certainly very good.

Mrs. Fairclough: Or bad for the merchant.

Mr. Catherwood: Or bad for the merchant, as the hon. member for Hamilton West (Mrs. Fairclough) has said. I also want to quote from the *Financial Post*, and again I will be brief. I will just quote three or four lines of an article in the issue of December 15, in which it is stated:

> It was a sorry spectacle last week to see the government applying the parliamentary steamroller to its special committee on resale price maintenance. This week the same tactics were being used in parliament to ram this legislation through before adjournment.

Mr. Speaker: Order. I do not think it is in order for the hon. member to read from a newspaper or a document published outside the house and reflecting on the proceedings in the house.

Mr. Catherwood: I accept your ruling, Mr. Speaker. But that was about the last quotation I had to make, sir, from the *Financial Post*.

Mr. Fulton: Just summarize it.

[Mr. Catherwood.]

Mrs. Fairclough: Just give the gist of it.

Some hon. Members: Question.

Mr. Catherwood: I might just refer in concluding to one from the Hamilton *Spectator*.

Mrs. Fairclough: That is a good paper.

Mr. Catherwood: I will not read the editorial; I will just comment on it. It begins:

> If ever an Ottawa drama turned into a vaudeville ballyhoo it is that parliamentary committee's inquiry into resale price maintenance.

Then it reports this way: It says things are so mixed up now that it would almost take a royal commission to straighten them out, and that what started out as a bid to rescue the consumer from a dragon has developed into some excited clouting of an elusive mouse.

With all this supporting evidence we have against the implementation of this bill I urge the government seriously to consider the amendment proposed by the hon. member for Kamloops (Mr. Fulton). I feel that it is exceedingly important to the people of Canada, and that it is important to us as members of parliament that this amendment be considered very seriously. I know hon. members will not regret taking the action if they support that amendment.

Mr. J. A. MacLean (Queens): Mr. Speaker, I wish to speak briefly on this important subject.

An hon. Member: Briefly?

Mr. MacLean (Queens): Yes, briefly. I feel it is exceedingly important that we, as members of parliament who have the responsibility of representing the people of our constituencies as they think we should, look at this subject in a cool, unbiased and unprejudiced manner. After all, we are about to enact legislation which might indeed have a serious effect on our economy. It is our responsibility as members of parliament to be careful, to glean all the information and evidence we can to guide us intelligently before making that decision. I deplore the tendency which I have observed in this house, instead of appealing to reason, to attempt to appeal to emotion at this important time. I feel that we would be remiss in our responsibility if we allow ourselves to have our attention distracted from the main point at issue by tactics or methods of that sort. After all, the people of this country have the impression—I hope they are wrong but they have this impression —that there is a tendency on the part of the government to jump at conclusions from incomplete evidence,—

Mr. Sinnott: That is only wishful thinking on your part.

Mr. MacLean (Queens): —or what is even worse, to have perhaps invalid opinions as to what should be done and attempt to support those opinions by piecemeal evidence which does not show the complete picture. I think all hon. members will agree that any member of parliament who is worthy of the name wishes to see brought into effect legislation which will be of the maximum benefit to the greatest number of people. But there is no indication, or at any rate, no evidence, that this legislation falls within that category. I will therefore most wholeheartedly support the motion which was moved by the hon. member for Kamloops.

I have very little sympathy for hon. members who attempt to shore up a weak argument for any given hypothesis to support their own views and rush some very important legislation through this house in an incomplete way. I know there are many hon. members who wish to see this legislation rushed through, and I know some wish us to give it only a cursory glance, but that is not something of which any hon. member should be proud. After all, we have a responsibility here in this chamber to examine legislation very carefully and try to bring the spotlight on any flaws it may contain. Craftsmen, when they produce some work which is of a very high order, are not ashamed to have it exhibited to public view. They like to have it admired and examined by critics because they know it will stand up to thorough examination; but in this case the reverse seems to be true. I see an indication that the members of the government would like to see this legislation go through very rapidly.

I sincerely hope, Mr. Speaker, that this very important legislation was not introduced in this house almost on the eve of Christmas by design. I hope it was only mismanagement. I see, too, a very strong tendency on the part of some hon. members to find a scapegoat, someone to blame for the high cost of living. I believe this may have some connection with this legislation. After all, I think many members of this parliament who are not acquainted with the situation have now begun to realize that the cost of living in this country and inflation have become very serious. Now that their craft is almost going over the falls, they are desperately trying to clutch something that may save them. They are looking for a scapegoat, and a very convenient scapegoat they seem to have found. They think they have a scapegoat in the form of the manufacturers and the retail merchants in this country. These latter-day Aarons are going to pile on the head of this scapegoat the sins of the government, hoping that the merchants and the manufacturers of this country will disappear into the wilderness, like the original scapegoat, and never be seen again. But I am quite convinced that the retailers of this country will not go down without a fight.

Mr. Sinnott: What about the consumers?

Mr. MacLean (Queens): In their haste to blame the merchants of this country for the high cost of living, which they claim is brought about by resale price maintenance, many members of the house remind me a great deal of a certain character in one of Shakespeare's plays, "The Merchant of Venice". I refer to Shylock. Yesterday afternoon I was struck by the similarity. I had forgotten this, but when I heard the hon. member speak yesterday it brought it back vividly to my mind and I then looked it up. The similarity is very striking. You have Shylock saying in "The Merchant of Venice":

> We trifle time; I pray thee, pursue sentence.

That is exactly what I hear hon. members in this house say. Let us get on with this. Let us rush it through; let us not worry about the consequences. But the answer to this—

Mr. Fournier (Maisonneuve-Rosemont): Who said that?

Mr. MacLean (Queens): Shylock.

Mr. Fournier (Maisonneuve-Rosemont): Who said it?

Mr. MacLean (Queens): And you have the reply.

Mr. Fournier (Maisonneuve-Rosemont): Who said it?

Mr. MacLean (Queens): Shylock.

Mr. Sinnott: Name him.

Mr. Fulton: The hon. member for Coast-Capilano said it yesterday.

Mr. MacLean (Queens): Portia said:

> A pound of that same merchant's flesh is thine:
> The court awards it, and the law doth give it.
> Shylock: Most rightful judge!

That is very similar to the situation we have now.

Mr. Sinnott: What are you reading from?

Mr. Blair: You never heard of it.

Mr. MacLean (Queens): I think the consequences of this legislation, if it is brought into being, may be very far-reaching. I am not saying that, because I am not justified in saying that. There is no evidence. I am not saying that it is a bad thing.

Mr. Sinnott: Hear, hear.

Mr. MacLean (Queens): It is possible that it is a good thing, but if it is—

Mr. Sinnott: Both sides of the fence.

Mr. MacLean (Queens): It is not a case of being on both sides of the fence; it is a case of not knowing what the results will be. We have no evidence to indicate what the results will be. There is great danger—

Mr. Riley: Don't be a mugwump.

Mr. MacLean (Queens): There is a great danger that if this legislation is brought into existence it will have a disastrous effect on this country. In that connection, Mr. Speaker, I should like to point out that the small merchants in this country are a very important part of our economy.

Mr. Abbott: Hear, hear.

Mr. MacLean (Queens): They are also a very important segment of our citizenry. I feel, sir, that if the small businessman and the retailer are put into the position where their existence is in jeopardy it will militate against the well-being of many small communities across this country. I come from a province which is composed almost entirely of small communities, and it has the disadvantage, if you look at it in that way, of being a province where there are no headquarters of large chain organizations. Any profits which are drawn away from my province by large organizations and chain stores are gone forever, and the province does not even benefit from taxation. Therefore, Mr. Speaker, we should be extremely careful before skating on thin ice or plunging in, because there is a great danger that we will destroy a very important segment of our economy.

Mr. Abbott: Do both, skate on thin ice and plunge in.

Mr. MacLean (Queens): If you skate on thin ice too long you will plunge in.

Mr. Fraser: He has skated on it before.

Mr. Sinnott: He has not plunged in yet.

Mr. MacLean (Queens): In the province I come from there are many small centres which can barely support one drug store. If legislation of this sort is brought into being it may well be that many of the small businesses will be wiped out.

Mr. Riley: By what competition?

Mr. MacLean (Queens): By the competition of the mail order houses. They would be wiped out in this way. I see no safeguard against loss leaders.

Mr. Riley: There is no competition in a small town.

Mr. Fulton: There is, and you know it; there is the competition of the chain store.

Mr. MacLean (Queens): There is competition in my province.

Mr. Sinnott: You are on the wrong track.

Mr. MacLean (Queens): What I have been saying is for the most part my own opinion, which may or may not be worth much. But what this house needs is concrete, factual evidence to guide us in making a wise decision on this important subject. I support most heartily the amendment of the hon. member for Kamloops (Mr. Fulton), so this house may have an opportunity to peruse the necessary facts and arrive at a valid conclusion as to what course of action the government should take on this very important matter.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I am well aware, just as well aware as hon. members on the other side of the house, that this is the week before Christmas. I am also well aware that we are discussing a very important matter.

An hon. Member: Another one of Tennyson's brooks.

Mr. Fulton: It is a pity they would not make their speeches on their feet.

An hon. Member: Get up yourself.

Mr. Browne (St. John's West): Mr. Speaker, I appeal to you to maintain order. Mr. Speaker, I should like you to maintain order while I speak.

Mr. Deputy Speaker: Order. I ask hon. members to allow the hon. member to continue with his speech.

Mr. Browne (St. John's West): I have heard hon. members opposite interrupting speakers on this side of the house, and I cannot understand why we are not allowed to speak on this subject.

An hon. Member: Sure you are.

Mr. Browne (St. John's West): I am glad to know we are going to be allowed to speak on a subject so important.

Mr. Fournier (Maisonneuve-Rosemont): Speak and give us your opinion, too.

Mr. Browne (St. John's West): I am afraid I shall have to start all over again. I did not think there was so much of the Christmas spirit abroad as there seems to be tonight. These interruptions remind me of the night I was called to the bar—

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): I should like to be permitted to recount this incident. It was twenty-nine years ago. The custom at Gray's

Inn when members were being called to the bar was to have them get up and make a speech, but as you rose to make your speech you were interrupted by the senior members. There was an Irishman there who had previously been called to the Irish bar. He stood there for about ten minutes while he was being interrupted and then finally he said so they could hear him, "Oh, you need not think you are bothering me; I have been practising at the Irish bar and have become used to interruptions from the Irish judges."

Having that incident in mind I am prepared to stand here and listen to the interruptions by hon. members who have spoken already until they are prepared to listen to what I have to say. This subject is either important or it is not important. If it is important, it should be treated with the seriousness it deserves, and anyone who has a contribution to make should be allowed to make it.

The Minister of Justice (Mr. Garson) spoke for two hours and a half and the hon. member for Kamloops (Mr. Fulton) nearly equalled that record when he spoke for two hours. Other hon. members have gone the full forty minutes. If this subject is so important as to warrant an opening speech of two hours and a half by the Minister of Justice, who served on the committee, are those of us who are just students and who listened to his wise remarks just supposed to sit here and vote without expressing our opinion on the matter at all? Even as bystanders we have some views upon this important matter. I do not know very much about it and I do not intend to make a long speech, but if I am aroused perhaps I might be encouraged to do so.

Mr. Abbott: What do you need to arouse you?

Mr. Fulton: A few more of your silly interruptions.

Mr. Browne (St. John's West): As hon. members know, in the speech from the throne the government expressed its concern about the rising cost of living and said they were doing everything that could be done to alleviate that condition. Special reference was made to the measures introduced by the Minister of Finance (Mr. Abbott) which in my opinion had the effect of increasing the cost of living, as I predicted last spring would happen. Then it went on in the next paragraph, without connecting the two although the connection seemed obvious, to say that the government now had in its possession the interim report of the MacQuarrie committee which had been investigating the Combines Investigation Act.

That committee had been appointed over a year ago and nobody had heard a word from them until the Minister of Justice wrote and asked them for an interim report on resale price maintenance. I do not think we have been told why the Minister of Justice wrote to ask for a report on that particular phase of their investigation. The Combines Investigation Act had been in existence for many years, but it has not been in existence as long as resale price maintenance. I had not heard of anyone making any serious complaint about abuses through resale price maintenance. Therefore it is extraordinary in my opinion that the Minister of Justice should write to the committee and ask for an interim report.

As soon as the report was tabled I sent for a copy, and I think I was one of the first members in the house to read it. I was astonished at what a niggardly report it was on that subject. I had seen the report of the committee appointed by the British House of Commons to investigate the same matter. They went into it much more elaborately and had much more documentation for their findings.

This report was prepared in a hurry. As the hon. member for Eglinton (Mr. Fleming) pointed out, the chairman of the committee had been away all summer and then had to come back to carry on his duties as president of one of our great universities. The fall term was just beginning, and he had very little time to devote to the preparation of that report. The report had haste written all over it. When the minister is replying to the speeches that have been made from this side of the house I should like him to explain why he wrote to the committee and asked for an interim report on resale price maintenance.

I think I can say without qualification that yesterday the hon. member for St. James (Mr. Beaudry) delivered the best speech I have ever heard in the House of Commons. I know it was unpalatable to most hon. members on the other side, because he did not receive one handclap or one bit of applause when he sat down. Yet it was logical, it was coherent and it was, I would say, very compelling. We had to listen to him. His arguments were sound, and I think the Minister of Justice (Mr. Garson) is going to have a hard job to answer the arguments put forward by the hon. member for St. James. In the course of his remarks he recommended that every member of the house should read the proceedings of the committee. I have them here, and there are 872 pages. I would be willing to bet all the money I have in my

pocket, which is not very much, that outside of members of the committee no other member of the house has read the complete report of the proceedings. I doubt if any member of the government has read it—

An hon. Member: You win.

Mr. Browne (St. John's West): —yet members are prepared to vote on this legislation without having read the evidence, this volume of 872 pages. Who has had a chance to study it? Has any analysis been published for the benefit of the public so their reaction can be ascertained? Let the members who are silent over there interrupt now and tell me how many have read it. Has the hon. member for Saint John-Albert (Mr. Riley) read it? No. I could go right through the whole list of members over there and I am ready to bet that not one of them has read it.

An hon. Member: Ask the Minister of Finance (Mr. Abbott).

Mr. Browne (St. John's West): I know the Minister of Finance is too busy for anyone to expect him to go into it, and besides he has too able a parliamentary assistant to make it necessary. According to the hon. member for Eglinton (Mr. Fleming) the parliamentary assistant has performed such a capable job as chairman of the committee that he can feel the work has been well done. There are 872 pages of evidence and I must confess that while I appreciate the advice of the hon. member for St. James, it has been impossible to read the report. Why? Because there were half a dozen committees sitting at the same time and most of the members of the house were on those committees. There were only twenty-five or thirty members in the house. Everyone else was attending some committee. Therefore the majority of members of the house have not read the evidence. The majority of members on the government side have not read the evidence with respect to this legislation. I say now that hon. members are not in a position to vote one way or the other concerning this subject.

Mr. Sinnott: You are not a judge now.

Mr. Browne (St. John's West): The hon. member for Springfield (Mr. Sinnott) talks in such a peculiar way that I cannot understand what he says.

Mr. Sinnott: I say you are not a judge now.

Mr. Browne (St. John's West): Oh, yes, I am here as a judge. I am a judge of what the committee did. Why is the report of the committee brought before us if we are not to sit upon it in judgment? Theoretically the committee was appointed by the house and given certain duties to perform. According to the hon. member for Eglinton, who has been here for six years and whom I know from personal experience to be a very active member of any committee upon which he sits, he never saw such a travesty of justice as the way that committee performed its duties with the parliamentary assistant to the Minister of Finance as chairman and the Minister of Justice (Mr. Garson) sitting by his side. That is the most serious charge I have heard in this house since I have been here.

Mr. Abbott: He is always making charges.

Mr. Fleming: All of them well founded, too.

Mr. Browne (St. John's West): It has not been shown that he is incorrect, and we do not need any further evidence than his statement because we know this measure is being forced through the House of Commons at the present time under the greatest possible pressure the government can put upon us.

Mr. Fleming: Duress.

Mr. Browne (St. John's West): Only today we were informed that the house, which was expected to close some time this week, is going to adjourn over Christmas until the 27th of December, and members are going to be called back then to resume the consideration of legislation that has not been completed. This was a special session called ostensibly for the purpose of dealing with the question of old age pensions. Who is thinking of old age pensions now? That legislation went through without one dissenting voice.

Mr. Abbott: Some of us may qualify before you finish.

Mr. Browne (St. John's West): The Prime Minister (Mr. St. Laurent) may qualify before the session is finished. This session, which was called for the purpose of dealing with old age pensions, is now vitally concerned with resale price maintenance. What I have said so far is only introductory. I have not read the report of the proceedings of the committee any more than any other member. I have not had a chance to do so. I have heard it is a most interesting report. I have heard many criticisms of the McGregor, as he was called last night, the former combines investigation commissioner of whom I had such a high opinion two years ago when he resigned his position because of the treatment he had received. I have heard and read so many criticisms

as to contradictions in his evidence indicating that it was composed largely of opinions and presumptions without being based upon facts that I should certainly like time to read it and form my own conclusions. Am I going to be given that time or not? Are other members going to be given that time?

Mr. Argue: You might have taken the forty minutes you are going to speak.

Mr. Abbott: You could have done that instead of making a speech.

Mr. Browne (St. John's West): The hon. member for Assiniboia (Mr. Argue), who is not what we would call the most reticent member of the house and who speaks on many occasions—I am sure if *Hansard* were referred to it would be found that he talks far oftener than I do—suggests that I refrain from speaking now and study the report. I should like to ask him—

Mr. Abbott: Good idea.

Some hon. Members: Hear, hear.

Mr. Browne (St. John's West): —and other hon. members who are interrupting and saying "hear, hear" how long it would take me to read this volume of 872 pages?

Mr. Abbott: How fast a reader are you?

Mr. Browne (St. John's West): Was the committee serious when it sat down to perform its work? Is this report to be consigned to the library, put on a shelf in a dark room and left there to mould for centuries to come, or is it a valuable document that people are supposed to study seriously? Are members of the house supposed to read the evidence taken before one of their committees, or are they supposed to take the recommendation of the committee as presented to the house and have nothing more to say about it? I know what the government's answer is. They say "yes" because the majority of members on all committees are appointed by the government as Liberal representatives. They are Liberals when they sit on those committees, and every committee I have been on has been the same. The majority are Liberals. They bring in a Liberal report and the Liberal government does not even read it. It does not even read the evidence but puts it away and brings in its legislation. That is what is happening with regard to this matter. Is the public getting a square deal with respect to this subject?

Some hon. Members: No.

Mr. Browne (St. John's West): I say this subject is one—

Mr. Abbott: Next page.

Mr. Browne (St. John's West): —that might shake the foundations of Canadian society very seriously, like an earthquake.

Mr. Fulton: It is certainly shaking the foundations of the government.

Mr. Browne (St. John's West): I say to the Minister of Finance, who is smiling now, that he may well find it will have repercussions upon the government. He does not know, and I do not know if he cares, what the effects of this legislation are going to be. I do not see how he can because I do not think he has had enough time to reflect and give proper study and attention to what is going on. I am just as much concerned as any other member of the public about the increase in the cost of living, and I should like to see measures taken by the government to reduce the cost of living. But, sir, I cannot see that they have found the panacea in the legislation they are introducing here.

Mind you, I will confess that when this subject was first mentioned it seemed to me to be a very attractive thing. Often I would see in the shops Forsyth shirts at $5, right across the country. I would ask myself: Why should a manufacturer tell a retailer that he has to sell that shirt for $5? Why does he have to put a label on it before he sells it to the retailer? Why does he not let the retailer sell at his own price? I felt I should be able to go from one shop to another until I found the shirt at a lower price, and buy it at that price. But a little reflection and the arguments of hon. members on this side of the house have shown me clearly that that is not the right attitude to take in regard to this matter. There is a community of interest between the manufacturer and the retailer. They are in the same business of selling shirts. The manufacturer makes the shirt and sells it to the retailer. He is anxious to have the retailer sell as many of those shirts as possible. That is only common sense, is it not?

Every manufacturer wants to see his goods have a good showing. He wants to see them in the shop windows and wants to see them becoming popular. So he takes a pride in his product. The retailer is just as anxious as the manufacturer to sell as many shirts as possible. And those retailers are not like the persons described by the parliamentary assistant, I think it was, when he said they were gouging profits out of the consumer.

The retailer as you know him and as I know him, as hon. members on the other side of the house know him, and as the ministers know him, is an honest man. We take it for granted that men in business are honest. If they are not honest why is not the Minister

of Justice (Mr. Garson) prosecuting them now for being dishonest? Why is this attack made upon the retailer?

Mr. Fleming: Why does he not prosecute the smugglers?

Mr. Browne (St. John's West): There is a community of interest there. It is a perfectly justifiable position. Many hon. members, especially those coming from the province of Quebec, know that this community of interest between retailers and manufacturers is called a vocational association. It is in vogue in other countries in Europe. It is in vogue in Portugal, especially.

Mr. Fournier (Maisonneuve-Rosemont): First time I have heard about that.

Mr. Browne (St. John's West): Then the hon. member's memory is not so good tonight. There is a community of interest there, and it is perfectly logical. I wish to tell you that this is not a new subject by any means. We are dealing with it as if it were new. It has been in effect in England for forty or fifty years. It has been in effect in the United States for a very long time. Forty-five of the forty-eight states are practising it. The Minister of Justice brought us a statement from the three states who had not been practising these fair trade laws, and I think the parliamentary assistant did the same thing. They held them up as objects to be admired. Why, do you not believe in democracy, the greatest good for the greatest number? Are the three states supposed to be the three wise men of the United States? Are they like the three wise men of the east? No, I think we ought to analyse the statement that forty-five of the forty-eight states in the United States practice these fair trade laws.

What I mean to do is go back a little way in my own experience. I happen to be familiar with the business of a small confectionery store operated by my mother for some years. Other hon. members may recall some of the matters about which I am going to speak. They will remember the five cent chocolate bar, the five cent bottle of pop, the ten cent package of cigarettes. Sales were made at these prices, not as a result of written agreements but by implied agreement between the manufacturers and the retailers to sell at these prices. When, during the first world war, prices of ingredients that went into chocolate bars went up, the manufacturers started to make the bars smaller so that they could still be sold at five cents. Then I remember particularly in connection with the five cent cigar there was an understanding between the manufacturer and the retailer that it would be sold at these special prices. And I suggest it never occurred to one member in the House of Commons that there was anything wrong in what the retailer was doing.

Where is any wrongdoing being discovered now? I have not heard anyone complaining about this resale price maintenance. I think it is largely a matter of imagination.

Mr. Fleming: The government's imagination.

Mr. Browne (St. John's West): Because of government propaganda people are now imagining that the retailer has been gouging profits out of us, the consumers. It has never occurred, at all. The Minister of Justice informed us in advance that the hon. member for Burin-Burgeo (Mr. Carter) would speak about the experience of Newfoundland. The hon. member for Coast-Capilano (Mr. Sinclair), at page 2151 of *Hansard*, made reference to the report of the royal commission, when he said:

> The second example is right here in Canada.

He was giving an example of the effect of resale price maintenance.

> The province of Newfoundland, before union, did not enjoy the blessing of resale price maintenance, but when they came into union they got it.

That was one of the blessings we got as a result of confederation.

> And as the Newfoundland co-operative brief pointed out, the prices in every line except cars rose immediately when resale price maintenance was applied to Newfoundland and so they had a royal commission on this matter.

That is an absurdity. The parliamentary assistant does not know what he is speaking about. Let me tell you something about that, because I happen to know about it. The premier of Newfoundland in pre-confederation days told the people of Newfoundland that the cost of living would go down 30 per cent after confederation. But instead of the cost of living going down, the cost of living has gone up. He had to have a commission to find out why it went up.

Mr. Fleming: They should have paged Doug. Abbott.

Mr. Abbott: The election is over in Newfoundland.

Mr. Browne (St. John's West): But we have a by-election coming up.

An hon. Member: Hire a hall.

An hon. Member: An honest man.

Mr. Browne (St. John's West): When the premier was forming the commission he went to a friend and said, "I would like to put you on that royal commission". His friend said,

"Look here, now, Joe, you know you are only fooling the people. It does not make much difference whether rolled oats sell for six cents in St. John's, Newfoundland, and seven cents in Labrador. There is nothing going to come out of it". "Oh", he replied "we have to let the people think we are doing something for them". And so the commission was appointed. And it brought in a report, I believe. Where they put that report, I do not know. We have never been able to get it. It is not in the parliamentary library.

An hon. Member: Perhaps the same place as the flour-milling report.

Mr. Browne (St. John's West): No, I do not think it was as bad as that.

Mr. Fleming: Ask the Minister of Justice.

Mr. Browne (St. John's West): But yesterday the hon. member for Burin-Burgeo, a gentleman for whom I have the highest respect, told us that the committee dealing with this subject had before it, among other documents, the report of that royal commission in Newfoundland which dealt with the question of the cost of living. Well, I inquired from the hon. member for Kamloops (Mr. Fulton) and he said no. I phoned the clerk of the committee and he said no, that he thought an extract was read from it, but it was not put before the committee.

Mr. Fulton: We never saw it.

Mr. Browne (St. John's West): Yesterday when the hon. member for Burin-Burgeo was reading from a manuscript in his hand as if it were from the report of the royal commission, I asked him if he was reading from the royal commission's report and he said yes. But obviously he was not. He was reading from a typescript he held in his hand. I do not believe there is a copy of the royal commission's report within these precincts. I have tried to get it.

I have here a letter I received from Mr. C. C. Janes, managing director of the Newfoundland co-operative union, asking me to support resale price maintenance. He outlined this very thing to which reference was made by the hon. member for Burin-Burgeo and the hon. member for Coast-Capilano, when they referred to the matter of batteries. It is said that the resale price of this article has risen from 60 cents to 80 cents, according to the finding of the royal commission in Newfoundland. In the first place, the landed cost of this battery was 46½ cents, that is before confederation, and the selling price was 60 cents. After confederation the landed cost rose to 47½ cents and the retail selling price was 80 cents. It was suggested that this was due to resale price maintenance. Now, sir, I have not seen the report of the commission and I am not in a position to accept or deny any statements that have been made in this respect. However, I have been associated for a long time with the co-operative movement in Newfoundland, and I know the managing director who has written this letter. He is an official of the government of Newfoundland. I imagine he has picked out this startling piece of evidence.

Yesterday I called the Canadian Tire Corporation and asked them what the price of the battery was here. They said it was 84 cents. I asked them whether the price had gone up in the past year, and they said that it had gone up about 15 cents. Everything else is going up; why should not the price of batteries go up as well?

Mr. Fraser: That is taxes.

Mr. Hees: That is income taxes and sales taxes.

Mr. Abbott: It is long sessions of parliament, long speeches and high costs.

Mr. Fulton: Especially long budget speeches and overtaxation.

Mr. Browne (St. John's West): The Minister of Justice described to us the difference between horizontal price fixing and vertical price fixing.

Mr. Abbott: What is the difference?

Mr. Browne (St. John's West): The difference is that one is illegal. Horizontal price fixing is between the manufacturers. We will say that the manufacturers of flour agree between themselves to keep the price at a certain level. This is contrary to the Combines Investigation Act. As the commissioner pointed out, these manufacturers had committed an offence. Because there was a disagreement between the government and the wartime prices and trade board, these men were not prosecuted for a breach of the Combines Investigation Act. I hope the Minister of Finance (Mr. Abbott) understands that.

Mr. Hees: You fellows remember that.

Mr. Browne (St. John's West): Unfortunately this report was concealed by the government for over twelve months and it was too late to prosecute the offenders. This report was overlooked by the Minister of Justice (Mr. Garson) who is so deeply concerned about the independent retailer today, and especially about that homogeneous person, the consumer. Vertical price fixing, which as I say is quite a legitimate thing, is something which takes place between the manufacturer and the retailer. I submit, and I suggest to the Minister of Justice, that vertical price fixing is a legitimate and a natural development

which has been going on ever since there was any trade. If the government is going to interfere with that, I point out that they are doing something that may have startling effects.

Mr. Abbott: Are you sure?

Mr. Browne (St. John's West): Yes, I feel sure that it will have serious effects upon our economy. The government intends to prohibit resale price maintenance. It intends to prohibit any arrangement between a manufacturer and a retailer as to the price at which the manufacturer's products shall be sold. This leaves the door open to the loss leader practice. The loss leader practice is an abuse of trade, and it would have been far better if the Minister of Justice had asked the MacQuarrie committee to advise the government as to what they should do about this loss leader practice rather than about resale price maintenance.

An hon. Member: What is a loss leader?

An hon. Member: A leader of the opposition.

Mr. Riley: How many have they lost?

Mr. Browne (St. John's West): Now, Mr. Speaker, if resale price maintenance is abolished, as the government intends to do, we shall come back to the question of the Forsyth shirt. Tomorrow or the next day, perhaps in the January sales that have been mentioned, the big departmental stores will advertise Forsyth shirts which formerly cost $5 for $3.98 or $2.98. All the members of the Liberal party can flock in and get their shirts $1.20 or so cheaper than before. The effect will be that the retailer who was doing a legitimate business will not be able to sell any more shirts of that type. I have only mentioned one article. If the practice is as widespread as the Minister of Justice wishes the house to believe, then that performance could be repeated in all the other different lines, and in all the different commodities in the drug business, as well as the hardware business.

Mr. Abbott: Give the next speaker a chance. He is waiting behind the curtain.

Mr. Fulton: If you would give this speaker a chance, he could finish his speech.

Mr. Deputy Speaker: Order.

Mr. Browne (St. John's West): When you consider the number of commodities that we have been told are affected by this resale price maintenance we can easily imagine that there are going to be chaotic conditions in trade as soon as this bill passes. We shall see a repetition of what we heard was happening down in New York when stores were advised that they could sell below the prices agreed upon. Then we had this panic buying in Macy's and other places.

An hon. Member: You are absolutely wrong.

Mr. Browne (St. John's West): Perhaps the hon. member who interrupted will explain where I am wrong. I am stating what I understand to be correct, and if I am wrong I am open to correction. I shall be only too grateful to the hon. member if he will correct me, because I am sure no member in this house wants to be left in the position of not stating what is right. If such a situation should occur in the city of Montreal or Toronto, is it not going to have a serious effect upon the small retailer who has been selling articles at resale price-maintained prices? I say it is going to have serious effects. No one can tell, not even our wise Minister of Finance who predicted a $20 million—

Mr. Abbott: No, $30 million.

Mr. Fraser: What is $10 million to you?

Mr. Riley: You did not read his budget speech.

Mr. Deputy Speaker: Order.

Mr. Fulton: I wish the minister would always be as concerned about $10 million.

Mr. Abbott: Don't take so long to think those up. They are better when they are spontaneous.

Some hon. Members: Time.

Mr. Speaker: I must inform the hon. member that his time has expired.

Mr. Browne (St. John's West): May I make one statement?

Some hon. Members: No, time.

Mr. Abbott: Let him finish.

Mr. Speaker: I gave one of the other members two minutes.

Mr. Browne (St. John's West): The Minister of Justice read a letter from an official of the British drug trade. He apologized that the letter was a little bit out of date. It was dated 1937; it is only fourteen years out of date. They must have done a great deal of research to look up that letter of 1937 in which the writer said that in England the number of outlets for proprietary medicines and drugs was increasing by about 8,000 to 9,000 a year. They suggested there should be some limitation upon those who sell these proprietary medicines, and that there should be an agreement with the manufacturers for the chemists of England, as they are called, to sell them.

Some hon. Members: Time.

Mr. Speaker: Order.

Mr. Browne (St. John's West): The Minister of Justice then turned to us and said: Do we want that practice here? I say yes, Mr. Speaker. I think it would be a good practice that chemists or druggists only should be allowed to sell drugs and not the grocery store, the hardware store, the five and ten cent store, the chain store and all the other kinds of stores. Only drug stores should be allowed to sell drugs and medicines.

Mr. Herridge: I rise on a question of privilege, Mr. Speaker. The hon. member for St. John's West mentioned the fact that his fellow member from Newfoundland—I cannot at the moment remember the name of the constituency—yesterday afternoon said he was reading from the report of the royal commission on the cost of living in Newfoundland, 1950. The hon. member for St. John's questioned the word of the hon. member who spoke yesterday afternoon.

I want to tell the house that I have in my hand a copy of chapter 10 of the report of the royal commission on the cost of living in Newfoundland, 1950, which deals with several aspects of distribution costs studied by the commission: (a) prices and resale price maintenance; (b) credit and instalment buying; (c) commission agents. The hon. member who made the statement yesterday afternoon kindly handed me the document. This is the document he read from and he handed it to me before he left, for my information. The hon. member was quite correct when he said he was reading from the report of the royal commission.

Mr. Browne (St. John's West): Mr. Speaker, I am just as interested in this matter as is the hon. member who has just taken his seat. I have tried to the best of my ability to get this document. I have here a copy of the letter which I wrote—

Some hon. Members: Oh, oh.

An hon. Member: Withdraw.

Mr. Speaker: Order.

Mr. Browne (St. John's West):—on December 4 to the managing director, Newfoundland Co-operative Union, St. John's Newfoundland, in part as follows:

> I have not seen the report of the royal commission on the cost of living. It is not in the library here. I wonder if you would be good enough to send me a copy. I would suggest, too, that even if you cannot send me a copy you should send one to the library of parliament here where it would be available to all the members.

Can an hon. member do any more than that?

An hon. Member: Apologize.

An hon. Member: He said he has it.

Mr. Fleming: He has not it.

Mr. Speaker: Order.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in view of the lateness of the hour and the feeling of the members of the house I wonder if Your Honour would agree to call it ten o'clock.

Some hon. Members: No.

Mr. Fournier (Hull): No.

Mr. Abbott: No. Go on for five minutes. It is a pleasure to hear you.

Mr. Knowles: It is only nine o'clock in Winnipeg.

Mr. Churchill: Mr. Speaker, I was reviewing the course of this session and I noticed that on October 9, when we commenced, the speech from the throne mentioned the fact that legislation would be brought down based on this report of the MacQuarrie committee. On October 15 the Prime Minister, in his remarks to the house as reported at page 41 of *Hansard,* said:

> . . . I can say that as regards immediate additional measures to curb inflation, while others may develop, the only one we are prepared to submit at this time is the one that will arise out of this report of the combines committee with respect to resale prices.
>
> I do not think that is going to have a very substantial effect on the index of the cost of living . . .

Following that, and much later, the committee was appointed to review the MacQuarrie committee report. Then we had the report of that committee submitted to this house. Finally on Monday, December 17, the bill was brought to our attention; and at that time an endurance contest commenced.

An hon. Member: And it is still going on.

Mr. Churchill: Having made my railway reservations and cancelled them about three times, I have now lost interest in returning to Winnipeg for Christmas and I am prepared to stay here as long as is necessary.

I have followed with interest the work of the committee of the house on combines legislation. I was named to that committee but was unable to attend it due to already having been named a member of the committee to investigate the railway situation. I therefore had to withdraw from this committee on combines legislation.

Mr. Fulton: And it was a great loss to the committee.

Mr. Churchill: I have, however, been able to read some of the evidence adduced at the

meetings of that committee, and I have considered the matter of sufficient importance for me to take part at this time in the debate that is now in progress.

An hon. Member: Ten o'clock.

Mr. Abbott: One minute to ten.

Mr. Churchill: I think everything points to the fact that there is a serious weakness in this legislation. We had presented to this house earlier in this session some pieces of legislation which might be termed good.

Some hon. Members: Oh, oh.

Mr. Hees: But not the Public Works Act amendment.

An hon. Member: Ten o'clock.

Mr. Churchill: I move the adjournment of the debate.

On motion of Mr. Churchill the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Graydon: Before you leave the chair, Mr. Speaker, I take it that the Minister of Public Works (Mr. Fournier) is going to announce the business program for tomorrow.

Mr. Rinfret: You ought to know.

Mr. Fournier (Hull): I thought of consulting my hon. friend. We can go ahead with this bill tomorrow and any other legislation.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Thursday, December 20, 1951

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

MOTION TO SIT THIS DAY WITHOUT INTERMISSION OR ADJOURNMENT AT TEN O'CLOCK

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the heading of motions, by virtue of standing order 15 and citation 132 of Beauchesne's second edition, and on the basis also of standing order 45, I wish to move, seconded by the hon. member for Peace River (Mr. Low):

That this day's sitting of the house continue without the usual intermission at one o'clock p.m. and at 6.15 o'clock p.m., and that the house shall not be adjourned at ten o'clock p.m. this day.

The purpose of this motion is to—

Mr. Drew: The purpose is clear.

Mr. Fraser: To allow Stanley Knowles to get home for Christmas.

Mr. Knowles: —provide an opportunity for members of the house, who feel that they have the right to be home with their families on Christmas day, to vote on the contentious issue that is now before parliament.

Mr. Speaker: Is it the pleasure of the house to adopt the motion? This motion is debatable.

Mr. Fleming: Mr. Speaker—

Mr. Drew: I would simply commend the rather remarkable spirit of co-operation demonstrated by the C.C.F. with their friends across the house.

Mr. Chevrier: You are just driving them over here.

Mr. Coldwell: I rise to a point of order. I think the remark of the leader of the opposition was most uncalled-for. The motion does not signify anything of the sort. It simply signifies that we wish to go on with the business of the house and conclude it in order that everybody connected with the house, not only the members, may have an opportunity to enjoy Christmas.

Mr. St. Laurent: I think the leader of the opposition understood you to say, Mr. Speaker, that this motion was not debatable.

Mr. Speaker: No.

Mr. Fraser: It is debatable.

Mr. St. Laurent: I thought the leader of the opposition had understood that Mr. Speaker had said the motion was not debatable.

Mr. Drew: I did not say anything about it.

Mr. Speaker: I ruled that the motion is debatable, and the hon. member for Eglinton rose.

Mr. Drew: The Prime Minister misunderstood me. I made no comment about its being debatable.

Mr. Donald M. Fleming (Eglinton): I wish to say a brief word about this motion. In the first place it is rather amazing to have this particular type of motion coming from my hon. friend to the left, the hon. member for Winnipeg North Centre (Mr. Knowles), because every time that the question has arisen at the end of a session about carrying on without an intermission for lunch or dinner it has been the hon. member for Winnipeg North Centre who has risen and pleaded the cause of the staff of the house.

Mr. Macdonnell (Greenwood): And the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. Fleming: And the hon. member for Rosetown-Biggar. They have pointed out, and I think with reason and justice, that to expect the staff of the house to carry on without an intermission for lunch and dinner, or even to shorten the present two-hour intermissions, is very unfair to them. But consider what this motion proposes. It would eliminate the luncheon adjournment. It proposes to eliminate the dinner adjournment and to carry on indefinitely thereafter. I take it if the motion carries the house will not adjourn tonight without unanimous consent.

Mr. Abbott: Or tomorrow.

Mr. Fleming: Therefore what the motion involves is that the government with its big majority can have its members sit here in relays today while the staff of the house is worn to a frazzle; and the parties in the opposition, because their numbers are not so ample as those of this overgrown government majority, will not have the same opportunity of spreading out their forces to carry on a marathon session. This is in effect an attempt at applying closure.

Every hon. member of this house, if he faces up to the question, recognizes that we all would like to be home for Christmas. If members are not permitted to be home for

Christmas, as they should be, the responsibility will lie with the government. That responsibility lies with the government because, in the first place, they have not arranged the business of the house with any regard for dispatch or the commitments of hon. members of the house or their family obligations and, in the second place, because they are trying to wield a big club over the heads of members with a view to jamming through the house something that ought to have proper consideration, and which cannot be given proper consideration unless many members are to forgo the opportunity of being at home with their families at Christmas.

The motion introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) simply plays into the hands of the government—whether by design or not, only he knows. The fact of the matter is that nothing could better suit the purpose of the government than this motion which has been introduced by the C.C.F. whip and which undoubtedly is an attempt at applying closure in the house. If there is to be closure, let the government have the courage to try to apply it. That is a challenge to them!

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not intend to debate this motion, but I do intend when the house is in session tomorrow, if the business has not been concluded, to give notice under the closure rule that it will be applied on Thursday, December 27.

As to this motion, I have no views about it. It is a matter which the house should decide on a free vote according to the views of each individual member. Personally I shall abstain from voting upon the motion.

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

Mr. Drew: No. Mr. Speaker—

Mr. Coldwell: Mr. Speaker, I rise to a question of privilege. The leader of the opposition (Mr. Drew) has spoken already.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to say a word on this. If I understand the Prime Minister (Mr. St. Laurent) correctly, we are now facing closure when we come back on the 27th. Therefore, what the hon. member for Eglinton (Mr. Fleming) has said was a true prophecy as to what we are facing. That is a responsibility which the government can assume if they wish, but I do want to say that I was amazed beyond words at the origin of this present motion.

In addition to all that the hon. member for Eglinton has so truly said about the attitude taken in the past by the member who proposed this motion and the leader of the C.C.F. (Mr. Coldwell), I should like to point out that, if my memory does not entirely deceive me, they have taken the position that this was the worst and most tyrannical thing that could be done by a large majority, making it almost impossible for an opposition whose members are not as large as intelligent electors one day will make them, making it almost impossible for an opposition working under the difficulty of continuous sittings to do its proper work.

However, it is always possible for people to change their minds. I only wish to indicate my astonishment that those who have so well argued the other position could now so entirely change their views. It is not exactly convenient for me. I have to spend Christmas in Edmonton and as far as I can see I am going to have to walk there.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I have some doubt whether under standing orders this motion is in order, but I leave that to Your Honour. I do not think it is myself. I do not think it can be described as being of a purely formal nature. I am inclined to think that under standing order 45 it is of a nature which would require at least some notice. I raise that point at the moment simply to leave it with Your Honour.

Questionable as I think the motion is with respect to its effect upon the proceedings and with respect to its propriety, it has served a most useful purpose already. It has made it very clear, abundantly clear, that it is the government's intention to ram through this legislation regardless of its merits and without permitting it that adequate discussion which legislation of this kind merits. This legislation at its very minimum affects directly at least 700,000 people in Canada, close to one million people, and it is to be rammed through the house after no more than five and a half days' discussion. On Monday we had the opportunity to debate it for rather less than half a day; then there was Tuesday, Wednesday and there will be Thursday and Friday. We now have notice that on Thursday, December 27, closure will be applied by the government.

Nothing could indicate more clearly the reluctance of the government to have the merits of this measure examined. Nothing could indicate more clearly its intention to assert the powers of a vast majority to force through legislation without an opportunity, so essential to the people of Canada, of examining the merits or demerits of the proposed measure.

We have seen in the motion appearing on the order paper under the name of the Prime

Minister (Mr. St. Laurent), to which he has made reference already this morning, evidence of the fact that the government intends to hold a club over the heads of the opposition, over the head of anyone who might desire to speak on this legislation. I can only say that while we resented it, while we thought it was unfortunate, we were prepared to accept the necessity which was being imposed upon us by the government of sitting here today, on Friday, which meant that many hon. members would not be home for Christmas, and then coming back on Thursday, December 27. That means that hon. members from the more distant parts of Canada may not be able to be home for Christmas at all if they wish to be here on the 27th. We accepted that necessity, but I feel bound to say that I regard it as un-Christian.

Mr. Speaker: Order. I do not think the hon. member is now discussing the motion which is before the house at the present time.

Mr. Fulton: The Prime Minister has already referred to this other matter in the course of this debate for the purpose of indicating yet another threat, that of closure on the 27th. It seems to me that the Prime Minister's remarks make it essential to consider the two motions together. I am simply discussing the opportunities that are available to the house to debate this legislation. That question was most definitely raised by the motion now before the house. It becomes evident that the government, having done their best to throttle, and having succeeded in part in throttling, discussion in the committee, is now determined to throttle discussion in this house. The government has the majority. They control the procedure and if they determine to apply closure, while we might regret it, while it is our duty to point out to the people of Canada—

Mr. Speaker: I do not think the hon. member should discuss closure at this time.

Mr. Abbott: I do not think he ought to repeat his speech either.

Mr. Fulton: If you so rule, I can only point out—

Mr. Drew: I think the Minister of Finance (Mr. Abbott) has put enough silly remarks on the record without continuing today.

Mr. Fulton: I can only say that I think it regrettable that the Prime Minister should have been allowed to intervene in the debate and utter the threat of closure, which must now be to the forefront of our minds in considering this whole question. If we are to be allowed the opportunity of replying—

Mr. Speaker: I felt that I gave the hon. member ample opportunity to reply to the few remarks that were made regarding closure. I want to be fair with him. I am doing my best to be fair. What I am bringing to his attention is that the motion before the house at the present time is the one moved by the hon. member for Winnipeg North Centre.

Mr. Fulton: Then, relating strictly, Your Honour, to the motion moved by the member for Winnipeg North Centre (Mr. Knowles), I would point out that the effect of that motion is to thwart effective discussion, and to do so almost as effectively as the motion referred to by the Prime Minister (Mr. St. Laurent). I would now deal with the motion of the hon. member for Winnipeg North Centre on that basis. The point that is well known to the member for Winnipeg North Centre is that the opposition party, those who are left here as the member for Greenwood (Mr. Macdonnell) has pointed out, is limited in numbers. A motion of this sort to compel the continuation of discussion all day without a break simply places the opposition party at a disadvantage with respect to the government party, and it multiplies the disadvantage which this party already experiences as a result of that disparity in numbers.

I have simply this to say. While our efforts are aimed at discussing the merits of this legislation to bring out in full the disadvantages which will accrue to the consumers of Canada, if the government is going to join with the member for Winnipeg North Centre and the member for Peace River (Mr. Low) in thwarting discussion of this question, we have no alternative but to accept the inevitable. It is quite nonsensical for the Prime Minister at this stage, after there has already been this conclusive evidence of collusion between the government, the C.C.F. and the Social Credit party in this regard—

Some hon. Members: Order.

Mr. Knowles: Mr. Speaker, I rise to a question of privilege. There has been no collusion so far as this motion is concerned. It is my own idea.

Mr. Fleming: Shame.

Mr. Fulton: I say it is quite nonsensical for the Prime Minister to say, after the evidence we have had of the degree of co-operation that exists between the government, the C.C.F. and the Social Credit on this motion,

that there may be a free vote of the house. Such a proposition simply begs common sense. However, the situation being as it is, we must accept it, since the C.C.F. and the Social Credit are now combining with the government majority to force this legislation through without adequate discussion.

I do ask the member for Winnipeg North Centre to bear in mind that in the future he can hardly expect that his plaintive cries with respect to the way the government majority abuses its powers and privileges will be received with any sympathy, in view of the fact that he has, by virtue of this arrangement which has all the appearance of being preconcerted with them, given them this splendid opportunity to abuse their powers in a way that the government has never done before in this house.

Mr. Knowles: May I just say a word on the point of order raised by the member for Kamloops (Mr. Fulton) during his remarks. I shall not reply further to the substance of his remarks. I have already denied categorically the charge he made, and that settles that. But he raised a question as to whether or not this motion was covered by standing order 45. May I draw to Your Honour's attention citation 65 of Beauchesne's third edition, which says:

> When the house intends to sit later than eleven o'clock, a motion may be made during the sitting, and without notice having been previously given, "that the house do not adjourn at eleven o'clock today." The reason why no notice is required is that standing order 45 which provides for notices to be given says that the rules shall not apply "to the times of meeting or adjournment of the house."

My motion includes not only sitting beyond the usual hour of adjournment, which is covered quite clearly by the citation I have just read, but it also includes sitting during the intermissions otherwise provided. On that point, may I draw Your Honour's attention, and the attention of the member for Kamloops as well as all members of his party, to page 1402 of *Hansard*, March 11, 1949. On that occasion we were in the midst of the debate on the address in reply to the speech from the throne. At the usual hour for supply the member for Springfield (Mr. Sinnott) had just finished speaking and the member for Acadia (Mr. Quelch) was seeking to get the floor so as to speak when the house resumed at 7.30 p.m. From page 1402 I read:

> Mr. Drew: Before we rise, Mr. Speaker, with the consent of the house I would move that we sit through the dinner hour, in view of the fact that the debate is to terminate this evening by reason of the motion of the government. That will make it possible for the debate definitely to conclude this evening.
>
> Mr. Howe: I would second the motion.
>
> Mr. Quelch: I move the adjournment of the debate.

[Mr. Fulton.]

> Mr. Speaker: Order. It is moved by Mr. Drew, seconded by Mr. Howe, that notwithstanding standing order No. 6, Mr. Speaker do not leave the chair at six o'clock, but that the debate be continued.

Now I ask all hon. members to note the person who wondered whether that procedure was in order.

Mr. Casselman: He used the words "with consent".

Mr. Knowles: The member for Grenville-Dundas (Mr. Casselman) is entering this argument, but he is on the record, too. The person who expressed amazement at that being in order was the member for Winnipeg North Centre. *Hansard* reads:

> Mr. Knowles: Does it not require unanimous consent for a motion of this kind to be made without notice?
>
> Mr. Casselman: He got consent.
>
> Mr. Knowles: Oh, no.

The next notation on *Hansard* records Mr. Speaker speaking to the point of order that I raised.

> Mr. Speaker: According to standing order 45 notice is not necessary for this motion. Is it the pleasure of the house to adopt the motion?

So I submit, Mr. Speaker, that the position is quite clear. I have given the house a precedent involving no less a person than the leader of the opposition (Mr. Drew) himself for the present motion. I submit, therefore, the motion is in order on the basis of standing order 45.

Mr. Speaker: I thought probably I should dispose of the question of whether or not the motion is in order.

Mr. Fulton: May I say a word on that point before you rule? I accept the record of *Hansard* as read by the member for Winnipeg North Centre. I want to point out here that the motion referred only to sitting through meal hours, whereas—

Some hon. Members: Oh, oh.

Mr. Fulton: I do not know why hon. members opposite should find a simple statement of fact so amusing. They are easily amused so I suppose one must accept the idle laughter which occurs. May I point out to Your Honour that the motion before the house in 1949 concerned continuing the sitting during one meal hour and one meal hour only, whereas the motion now before the house would compel us to sit through meal hours as well as dispensing with the usual hour of adjournment tonight. In that case, I think I should ask Your Honour to consider the whole of standing order 45, together with the citations in Beauchesne's second edition referring thereto. Standing order 45 says:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, a resolution or

address, for the appointment of any committee, or for placing a question on the order paper, but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house.

Mr. Knowles: There it is.

Mr. Fulton: There is one citation in which this rule has been applied, as follows. Citation 357 reads:

As a general rule every motion proposed in the house requires notice unless it is of a formal or uncontentious character, or raises a question of privilege.

This motion could hardly be called purely formal, still less of an uncontentious character. This goes far beyond the other motion to which reference has been made. It provides for a continuous sitting during both meal hours and dispenses with the hour for adjournment. It goes on in citation 358:

Motions applying to the business or arrangements of the house as a rule require notice,—

Certainly this motion applies to the business or arrangements of the house in a most unusual manner. It completely upsets all the arrangements which have been made for the business of the house as they were to apply today. It goes on to say:

—but some are of such a purely formal nature that by general consent notice is not insisted upon.

The words themselves, Mr. Speaker, show the distinction between the type of motion for which notice is not required and the type of motion that we have before us for which, I submit, notice is required; because the citations make it clear that those for which notice is not required are those of a purely formal nature where, by general consent, notice is not insisted upon. In view of the citations which, I suggest, make it clear that the precedents in the past applying this rule have laid it down that only those which are of such a general, uncomplicated, slight or trifling nature that, by consent, notice may be dispensed with, can be proceeded with without notice having been given, but that this motion, which is of a highly contentious nature, and which completely disrupts and reverses the whole business of the house as outlined for the day, is of such a nature that notice must be given.

Mr. Speaker: On the question of order, may I say that I have listened to what has been said. As has been pointed out, other motions have been made in this house respecting the hours or times of sitting without previous notice having been given. In Beauchesne's second edition in citation 34, I observe the following:

No notice is required for a motion relating to "the times of meeting or adjournment of the house." (S.O. 45)

Standing order 45 has been referred to by a number of members. The citation goes on to say:

The word "times" is translated by "heures" in the French version of S.O. 45. It seems therefore that if a motion does not relate to the hour but to the day at which the house is to sit or adjourn, a notice must be given.

The motion before the house does not refer to a day. It relates to the hour.

Mr. Drew: Mr. Speaker, without interrupting you, may I make a comment on that point which you have raised?

Some hon. Members: No.

Mr. Drew: I would point out, Mr. Speaker, that you have touched on the very point that is in issue on this motion. It is quite clear that if this motion goes through the house will not adjourn. For that reason I submit, on the very point you made, Mr. Speaker, this motion is not tenable under the reference which has been given.

Mr. Speaker: If the motion referred to days, I would agree with the leader of the opposition that it would not be in order. May I read the motion.

That this day's sitting of the house continue without the usual intermission at one o'clock p.m. and at 6.15 o'clock p.m., and that the house shall not be adjourned at ten o'clock p.m. this day.

It distinctly says that this motion refers to this day only. I am satisfied that this motion refers to time and not to days. Citation 34 in Beauchesne's second edition goes on to say:

See decision given by Speaker Rhodes on May 21, 1920.

I have sent for *Hansard* of that day and it has just arrived. The reference reads as follows:

Rt. Hon. Sir Robert Borden (Prime Minister): I beg to move the motion of which I gave notice yesterday:

"That when this house adjourns on Friday, the 21st instant, it do stand adjourned until Tuesday, the 25th instant."

Mr. Speaker: I must point out, as I did yesterday, that this motion requires two days' notice and only one day's notice has been given. It can therefore only be entertained by unanimous consent.

Sir Robert Borden: I do not know whether it is applicable or not, but my attention has been directed to the language of rule 40 which says that the rule requiring notice shall not apply to the times of meeting or adjournment of the house.

Mr. Speaker: I think the interpretation which has been given to the section under that rule is that it refers to the hour for meeting because in the French edition "heure" is used. That being so, as at present advised, I am still of the opinion that two days' notice would be required to be given.

I would agree with the decision given by Mr. Speaker Rhodes, and that if this motion

referred to days it would not be in order. But as it refers to time, I would rule that the motion is in order.

Some hon. Members: Carried.

Mr. Fleming: May I ask a question of you, Mr. Speaker? It is somewhat difficult to follow the purport of that motion without having the text of it before us—

Some hon. Members: Order.

An hon. Member: The ruling has been made.

Mr. Speaker: If the hon. member wishes to ask a brief question, I will hear him.

Mr. Fleming: Mr. Speaker, do you construe that motion as requiring that the house adjourn at midnight tonight or that the house will continue to sit through the night?

Mr. Speaker: Notice not having been given I would not construe this motion in such a way that it could interfere with tomorrow's sitting of the house. If debate continued until that time, I would adjourn the house in order that the sitting could be called for tomorrow at the hours prescribed by the rules.

Mr. Fleming: With respect, Mr. Speaker, may I say that what you have just said does not clear up the difficulty I am having as to the effect of the motion, without having the text of it before me. What happens at midnight tonight? Does the house, under the terms of that resolution, rise or is the session continuous until 11 o'clock tomorrow morning when tomorrow's session begins?

An hon. Member: Sure.

Mr. Speaker: I would think that the house could not continue to sit until tomorrow at 11 o'clock. I think I would have to adjourn it before 11 o'clock so that the house could commence another sitting. I could not allow this motion to interfere with the order calling for a sitting tomorrow.

Mr. Fleming: It is not my province to put questions to you, Mr. Speaker, let alone to question your ruling; but does not that have the effect of carrying this resolution to the point where it affects the days of sitting?

Some hon. Members: No.

Mr. Fleming: If the motion is passed, it means that the house is not simply sitting today; the house will be sitting tomorrow from twelve o'clock midnight until eleven o'clock a.m. tomorrow.

Mr. Speaker: It might affect more than one calendar day but it does not interfere with the sitting days of this house.

Mr. Drew: On a question of privilege, Mr. Speaker, I want to point out something that should be pointed out at this stage in order to correct the record. The hon. member for Winnipeg North Centre (Mr. Knowles) on an earlier occasion left the impression that, by my own request or by my own suggestion in this house, I supported the very principle he is putting forward. I am not in any way debating the decision that has been given, but I must confess my surprise that the hon. member, who prides himself on his correctness and his respect for the records of the house, should have sought to leave that impression, because this is what *Hansard* says at page 1402:

> Mr. Drew: Before we rise, Mr. Speaker, with the consent of the house, I would move that we sit through the dinner hour, in view of the fact that the debate is to terminate this evening by reason of the motion of the government. That will make it possible for the debate definitely to conclude this evening.

And on that occasion, as an evidence of the unusual measure of harmony which existed, the record says:

> Mr. Howe: I would second the motion.

Mr. McIlraith: Consent was refused.

Mr. Knowles: Consent was not given; I objected, and the record shows it.

Mr. Solon E. Low (Peace River): I do not want to take very much time at this moment to discuss the motion before this house; I wish only to make it clear that I seconded the motion, and for a very good reason. In the first place, Mr. Speaker, let me say that there was no collusion whatever amongst the government, C.C.F., and Social Credit party on this. This suggestion was made to me; I thought it was a good one and I agreed to second it because I did think it had merit; that is all.

Mr. Fulton: What is the hon. member's definition of collusion?

Mr. Low: I know the hon. member for Kamloops must be very disappointed, and I sympathize with him—in his deep conviction he is likely to be a little intemperate. I can understand that. I have been in a similar position before. But I would just point out that I do not care what you call it, whether you call it collusion, conspiracy or what, the point is the suggestion was made, just as suggestions are often made in this house. I thought it was a good one, and I lent my support and seconded the motion. In that regard, let me say one other thing. I sympathize with any group in this house that has a deep conviction and desires to bring out the fullest possible measure of discussion in connection with any proposition put before hon. members. No matter what group it is, I think they should have ample opportunity for discussion. I have been in a position

similar to that now occupied by the members of the Progressive Conservative party. I seem to recall that in 1945, when there were thirteen of us in this house, the Social Credit group put on a fairly strong battle against the Bretton Woods agreement in this house. We discussed it pro and con for several days. I remember, Mr. Speaker, there was a suggestion then that closure might be applied, but we did not let it go to the point where closure would be applied because we did not think that was wise. We brought before the house every argument we could; we did our level best to convince the members of the house, including the members of the Conservative party, that Bretton Woods was not in the best interests of Canada; that it should be defeated and not be allowed to pass. But after we saw that we had failed to convince the Progressive Conservative, the Liberal and the C.C.F. parties, and when it was suggested that perhaps closure ought to be applied, we thought then that in a democracy and in a parliament it was wise to let the matter come to a vote, to express our conviction by vote and then simply say to the government: "It is your responsibility. You have brought the matter in; you have failed to be convinced by our arguments, and from now on it is your baby and not ours." The same situation is true here, Mr. Speaker.

Mr. Speaker: I interrupted the hon. member for Kamloops when he was discussing a possible motion for closure. I do not think I should give the hon. member for Peace River any further opportunity to discuss that motion.

Mr. Low: Thank you very much. I will simply confine myself to the motion before the house. Let me say this with respect to it. I think that ample discussion has been made possible on this bill now before us. I have no desire to close off anybody. As a matter of fact, my idea is to give those who wish to speak on this bill more opportunity to do so. May I point out that if this motion is carried hon. members—I am not going to mention any particular group—will have no less than thirty-two hours to discuss this bill. I would estimate that mathematically speaking there would be opportunity for at least forty 40-minute speeches. I am prepared to sit and listen to these forty speeches, and I will do so with an open mind. If they can convince me in the forty 40-minute speeches that it would be a good thing to vote against this bill, then I will vote against it. Therefore I say, Mr. Speaker, there would be greater opportunity for discussion on the bill if this motion passed, than otherwise.

The second reason that I suggest we pass the motion—I am thinking of two groups now—is this: I am thinking of the staff of this house. It is all right for the hon. member for Kamloops to laugh, but let us not forget that the members of the staff are anxious to have some Christmas holidays. I am not going to argue what the government should do or should not do. The government has taken a certain position at the moment. I am trying to put before you the reasons why I support this motion, Mr. Speaker. The members of the staff have a perfect right to at least a Christmas holiday, and I imagine that in order to get it they will be as prepared as I am to go straight through until the house rises sometime Friday evening, so that they will have an uninterrupted holiday. There are members of this house from the far west and from the far east who wish to get away in order to be home with their families at Christmas.

Mr. Cardiff: Nobody is stopping them.

Mr. Low: These people could not possibly get back here for the 27th—it is just impossible. I am thinking of them, too.

Mr. Fleming: Then why did the Prime Minister make such a motion?

Mr. Low: I have no axe to grind personally, because I live here, and I will be quite prepared to sit just as long as the house desires to sit in order to give full and fair consideration to everything that is before us; but in all fairness let me suggest this. There has been plenty of opportunity, and there will be plenty of opportunity, to discuss this bill. It is disappointing, I know, to people who have a deep conviction that it should not be passed, to find that they are not going to be able perhaps to carry on indefinitely and obstruct the passing of the bill. I appreciate that feeling, and I want the Progressive Conservatives to know that I appreciate it because I have been in their place on previous occasions. But the democratic thing to do when you fail to convince the house that your position is sound is to put it to a vote, vote against it, and your conscience is clear and the responsibility rests upon the government. That is why I am going to vote for the motion.

Mr. Fleming: Your last remarks will rise up some day to mock you. Mark my words!

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, I am sure that everyone here has a very high appreciation of the qualities of the hon. member for Peace River (Mr. Low) and we are perfectly prepared to accept his statement—and of course the statement of the hon. member for Winnipeg North Centre (Mr. Knowles)—that there was no collusion or anything of that kind in connection with

this motion. I accept the statement unreservedly. But as the hon. member for Eglinton pointed out the day before yesterday, there is an amazing degree of mental telepathy which apparently functions in connection with these matters; and the cheers with which it was greeted on the other side of the house suggest—

Mr. Noseworthy: This is not the first time that you sided with the government.

Mr. Nowlan:—that there was someone on the government side dreaming of more than a white Christmas last evening.

I was particularly struck with the reference of the hon. member for Peace River to a debate which was carried on some years ago—I believe he said it was in 1945. In 1945, with thirteen members in the house, as I recall his statement, they debated a matter for three or four days. He pointed that out as an example of proper parliamentary tactics; but I would suggest that in this connection there are forty-six members in this group, and if the hon. member for Peace River feels that three days was at least not an exorbitant time for thirteen members to discuss a matter, this matter which is before the house at the present time—I do not refer to the motion, but the bill—has been discussed for less than three days.

Mr. Low: I point out to the hon. member that at the time we were discussing it we sat from three o'clock in the afternoon until six, and from eight to eleven.

Mr. Fleming: And no attempt was made to extend the night sitting, either.

Mr. Nowlan: I am simply suggesting that as an example used by the hon. member for Peace River himself, and that there would be at least, I think, a presumption that more time should be spent in the discussion of this subject than has been spent.

Mr. Low: That is what we are getting at.

Mr. Speaker: Order.

Mr. Nowlan: The hon. member for Peace River has displayed a forensic style this session which many of us never recognized in him before. He has shown himself to have a humorous and classic style. One occasion in particular was when he suggested that the Prime Minister (Mr. St. Laurent) get his boys together, and then he went on to suggest that at bedtime he must sing "Where is my wandering boy tonight?"

Speeches such as that have shown him as a classic humorist, and I am sure his speeches will be recalled and read by the readers of *Hansard* generations hence. But when he refers to the fact, with a perfectly straight face—and if he ever played poker, I am sure he would have looked that way with a poor hand—that after all he was doing this for the benefit of the opposition, so that forty members might make 40-minute speeches, that, Mr. Speaker, was the height of his humour. No doubt he attained a dizzy eminence he will never forget, and never repeat. Because the hon. member, having had that experience—and I presume he was here then—must have realized the strain of those thirteen who talked for the three days.

But they were not facing such a monolithic monumental machine as we are facing today. The difficulty today is even greater. The hon. member has referred to the work required to be done by the staff at Christmastime. We all realize that the staff has to have Christmas. He referred to the difficulties of members. Well, the hon. member for Kamloops (Mr. Fulton), who lives as far away from this house as anyone else, has expressed dissatisfaction with this amendment. And I might say that I live almost as far away in the other direction.

Those of us from the extreme parts of Canada want to see this matter debated. We want to see it debated reasonably, and we do not believe it can be done if this motion is adopted. It is true that there have been motions adopted before, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out. But when you get the leader of the opposition (Mr. Drew) and the Minister of Trade and Commerce (Mr. Howe) joining in a motion, then I suggest we see a degree of unanimity which is most unusual.

Nevertheless, although I have no doubt that this motion as submitted does not transgress the rules of the house, I do not think it is one which permits orderly debate. I do not think it is one which should be accepted by the house at the Christmas season. After all, some of us are looking forward to having a Christmas tree set up on the floor of the House of Commons on Christmas morning. We thought that our brilliant friend who spoke the night before last so ably (Mr. LaCroix) and the hon. member for Temiscouata (Mr. Pouliot) both had the dimensions requisite for the occasion. One might act as Santa Claus and the other as Santa Claus's assistant. But if we are going to have a motion like this, to spoil the Christmas spirit entirely, then I say we should not be asked to accept it.

Since this motion is debatable—and Your Honour has ruled it to be debatable—it is

therefore amendable. Therefore I move, seconded by the hon. member for Broadview (Mr. Hees):

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

"the hours of sitting this day be from 11 o'clock a.m. to 1 p.m., from 2.30 to 6.30 p.m., and from 8 p.m. to 10 p.m.

An hon. Member: Those are the regular sitting hours.

Mr. Speaker: Mr. Nowlan has moved, seconded by Mr. Hees:

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

"the hours of sitting this day be from 11 o'clock a.m. to 1 p.m., from 2.30 to 6.30 p.m. and from 8 p.m. to 10 p.m.

Some hon. Members: Question.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Oh, oh.

An hon. Member: Now we know.

Mr. Drew: Mr. Speaker, I am prepared on this occasion to wait indefinitely for the house to come to some semblance of order.

An hon. Member: The amendment is out of order.

An hon. Member: Easier to wait than to speak.

Mr. Speaker: Order, the leader of the opposition has the floor.

An hon. Member: Merry Christmas.

Mr. Drew: I propose to wait until there is order.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, the amendment now before the house is one which does extend the already unusually long sitting hours by another fifteen minutes, and it will also give an opportunity to place before the house views in regard to certain of the arguments which have been made, and which it seems to me should be in the minds of members who support this motion.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member may proceed.

Mr. Drew: I would not wish to deprive hon. members who are sitting in the house of the opportunity of hearing what is going to be said by myself or by others, because of the conferences which are being held behind the curtains outside the house. It is for that reason that, as a courtesy to the house, I propose to pause at any point where I feel that the members may not be able to hear what I have to say.

The motion before the house to which the present amendment has been moved is one which comes very strangely from the hon. member who made it and, may I say, from the party which in this case gives it its primary support. The secondary support, of course, is more important and more conspicuous. And it is more strange, because if there has been one party in the house, and if there has been one member in the house who has been insistent not only upon the observance of the ordinary practices but of other things, it has been the hon. member who has moved this motion. I would suggest that there is much more before the house than simply a motion to continue this day without interruption.

The Prime Minister made it quite clear why the government is supporting the motion. He made it quite clear also—

Mr. St. Laurent: I beg your pardon; I made it quite clear that the government was not supporting this motion, that the government was taking the position that members of the house should vote freely, according to each one's individual convictions, and that personally I would take no part in the vote upon the motion.

Mr. Drew: Then, in view of the Prime Minister's statement, let me put it this way, that we had a very clear indication of the way in which the Prime Minister wanted the house to vote on this, because he indicated quite clearly that, if as a result of a motion now on the order paper we should return next week, it was his intention to have on the order paper a closure motion which would dispose of any further effective debate of the matter now before us.

I would point out to hon. members who are seeking this indecent haste at this stage of the session that there are on the order paper a number of very important matters, in addition to the extremely important matter which is under consideration, or perhaps will be under consideration after the lunch hour. I would point out that we have on the order paper the orders that the house go into committee of supply and that the house go into committee of ways and means, which should not stand in the name of the Prime Minister but should stand in the name of the minister of make-believe because of course there is no intention of calling them, nor was there at the time they were put on the order paper. Then the next order of business is No. 3, the house in committee of the whole on Bill No. 15, an act to provide for privileges and immunities in respect of the North Atlantic Treaty Organization. That stands in the name of the Secretary of State for External Affairs. I would think there

is a great deal to be said about the North Atlantic Treaty Organization at this time, and particularly in view of the fact that the Secretary of State for External Affairs has returned recently from fairly extensive travels. It would provide an excellent opportunity for a full presentation to the house of the information he has gained and particularly any additional opinions he may have in regard to the subject matter of this debate. We have not yet had an opportunity for a discussion of these subjects or adequate comment by other members with respect to the very useful contribution the minister could make to debate on this subject at this time.

The next item on the order paper is the house in committee of the whole on Bill No. 23, an act to amend the Government Annuities Act. That is of course a very important matter, as has been indicated by the discussion that has already taken place and by the indication of the views of certain members with respect to what the bill should and should not contain. The measure affects many thousands of people in this country and is one which I feel sure hon. members will wish to have fully and adequately discussed.

The next item is resuming the adjourned debate on a motion of the Minister of Public Works (Mr. Fournier) for the second reading of Bill No. 26, an act to amend the Public Works Act. A very useful debate took place on that bill when it was before the house a few days ago. If the members of the Conservative party in this house express some hope that the government is open to conviction on another measure that will be discussed after we proceed to orders of the day, it is because of the fact that extended debate did persuade the Minister of Public Works that it was wise to pay some attention to the argument put forward, and he therefore indicated that he proposed to make an amendment which would to some extent meet the views that had been expressed. We have not yet been informed as to what the amendment is so that it is impossible for us to express an opinion in advance. If it should be that the amendment was not in accordance with the views that have been expressed by the opposition then we would most certainly wish adequate time to debate a measure that has such far-reaching conclusions and would depart so greatly from that principle which the minister, in his usual genial manner, said that he wished to reassert before the house.

Mr. Knowles: I rise to a point of order. Surely the law of relevancy applies in this debate. Is it in order for the leader of the opposition, speaking to the amendment of the hon. member for Annapolis-Kings to my motion, to discuss all the other items on the order paper?

Mr. Fraser: Surely.

Mr. Knowles: I am asking the Speaker and not the hon. member for Peterborough West. Does the law of relevancy not apply to this debate?

Mr. Drew: If I might answer that, I would point out that I am seeking simply in the briefest manner possible to—

Mr. McIlraith: Seeking to take time.

Mr. Drew: —indicate to hon. members the significance of the items on the order paper and what we are still called upon to discuss and should be prepared to discuss in an orderly manner, subjects which go beyond the bill that is mainly in the minds of hon. members who have already spoken. I submit that unless I do so I am unable to emphasize how important it is that we should not accept a device which would in this way curtail the adequate discussion of other measures even if some hon. members may feel that we should rush through the bill which will be first on the orders of the day when we come to that point. I was referring to the act to amend the Public Works Act, and I think I have indicated—

Mr. McIlraith: You were debating it.

Mr. Drew: —that some persons have a considerable interest—

Mr. Robinson: What about a ruling on the point of order?

Mr. Drew: Of course I observe the Speaker's rulings at all times, but as the Speaker has not risen to make any ruling on the subject I am continuing my remarks. The next item—

Mr. Speaker: Order. The hon. member for Winnipeg North Centre (Mr. Knowles) did raise a point of order and probably I should refer to it. He is correct when he says that the debate at this time must be relevant to the amendment before the house. I would ask hon. members so to direct their remarks that they are relevant to the amendment now before the house.

Mr. Drew: Yes, Mr. Speaker, that was exactly what I was seeking to do. There are only two more items, but I would suggest that hon. members recognize how important they are. The next one is resuming the adjourned debate on the motion of the Minister of Justice for the second reading of Bill No. 36, an act to amend the Combines Investigation Act, and on the proposed amendment thereto. That, as is known to all members, will be

the first item called after we pass to orders of the day. Then the next item is a resolution standing in the name of the Minister of Agriculture that it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the provisions of section 1 of chapter 47 of the statutes of 1950 and thus render such areas eligible for assistance. The motion now before us, to which an amendment has been moved, is one which would obviously carry the debate forward on Bill No. 36, but the last item to which I have referred is a subject which is still simply in the form of a motion. The bill is not even formally before the house. Therefore we must have due regard as to whether all the ordinary rules with respect to the availability of legislation and the procedure on legislation should be disregarded. I have mentioned these items on the order paper, to say nothing of other matters that are on here to which I do not intend to refer—

Mr. Sinnott: Mention the questions too.

Mr. Drew: Yesterday I thought the hon. member who has just interjected was acting as parliamentary assistant to the parliamentary assistant to the Minister of Finance, but now he apparently has constituted himself in a new role as parliamentary assistant to the Speaker.

Mr. McIlraith: He gets your goat every time.

An hon. Member: Three-job John.

Mr. Macdonnell (Greenwood): We did not introduce this subject.

Mr. Drew: I suggest to any hon. members who indicate impatience on this subject that we did not introduce this motion—

Mr. McIlraith: Just the amendment.

Mr. Drew: —and that it really is the choice of other members that this subject is now under discussion. If the mover of the motion seeks the consent of the house for its withdrawal, of course the discussion will end immediately.

An hon. Member: You are now speaking on the amendment to the motion.

Mr. Sinnott: I do not think he knows what he is speaking on.

Mr. Drew: I do not intend to speak unless hon. members who remain in the house observe some measure of order. This is one occasion when I have quite clearly indicated that I am not going to interrupt hon. members who are interrupting me. That is the only reason that I pause on these occasions.

I come now to some of the remarks that have been made in support of the motion to which there is now an amendment. The leader of the Social Credit party referred to the desire that he had that there should be adequate Christmas holidays for the members of the staff. I assure the hon. member for Peace River (Mr. Low) that there is no member of this house, so far as I know, who is not anxious to assure adequate holidays for the members of the staff. But may I remind him that if there is any question raised about adequate holidays for the staff there is only one place where the responsibility for that situation rests, and that is with the government and completely with the government.

After all, why are we confronted with the necessity for this debate to crowd through important business during a period when no adequate supervision can be given? Why this indecent haste at this time? Of course, we accept the statement of the hon. member who has moved the motion that there was no previous discussion but that it just happened to be a meeting of minds that we saw so spontaneously displayed this morning. Even accepting that, may I point out that the reason there is this problem before this house at the moment is that we met in October to deal with certain matters that could have been most properly and most expeditiously dealt with if we had simply continued the session that was then under way, as we requested at that time. If that had been done there would have been no necessity for a new speech from the throne. We have seen evidence in the conduct of the government that there was no necessity.

We have seen the speech from the throne. It was nothing more than an agenda which was placed before this house and which could have been placed before the house without those formalities. What it did was to provide the opportunity for an extended debate which carried this session forward to the point where we are now within a few days of Christmas. This government must accept full responsibility. I am sure there has never been since 1867 a session of this parliament when there was so little planning of the business of the house, when there was so little apparent attempt to make use of the committees in the house in a way that would produce results. We had committee after committee held back until it was so late that it was impossible to perform the task for which it was appointed. For instance, we had the example of the committee on defence expenditures—

Mr. Speaker: Order. Probably the hon. member is getting a little beyond the amendment.

Mr. Drew: I was trying to reassure the hon. member for Peace River that if he is so concerned about the Christmas holidays it would be advisable to indicate to the government that there is a way in which all these things can be dealt with in an orderly manner and that is to recognize the importance of what we now have on the order paper and to seek to persuade the government to adjourn this session and to come back with adequate time to deal with the business before us.

I suggest that this motion, to which an amendment has now been moved, goes far beyond any question of simply seeking to expedite the debate on Bill No. 36. This motion was placed in its true perspective when the Prime Minister indicated that in addition to the, shall we say, veiled threat contained in the notice of motion, if we did not terminate all discussion by tomorrow night we would follow the unusual practice of interfering with the holidays of the staff to whom the hon. member for Peace River has referred by coming back here on the 27th.

Then just to buttress the thing, just to remove any doubt that the notice of motion was intended as a club, a legitimate club of course, if the government seeks to use it, the Prime Minister pointed out this morning that there would be a notice of closure on the order paper if we did follow this unusual procedure of coming back next week. The members of the party which I have the honour to lead are quite prepared to come back whenever it is decided by this house that they should come back. We are quite prepared to do the business of the house.

We have been asking the government for a long time to place the business of this house before the members so that we would have adequate opportunity to discuss this extremely important measure and others. If there is any doubt about adequate Christmas holidays, those doubts have been raised by the fact that Bill No. 36 along with the others has been held back so that under pressure of the Christmas holidays hon. members might be persuaded to restrict their remarks on a subject which otherwise they would have regarded as being a matter of very considerable importance and calling for extensive debate.

If hon. members of this house submit to the double threat, first, that they follow the unusual course of coming back between Christmas and New Year's when orderly business would suggest an adjournment until a later date, and, second, of closure if we do not submit to the government's first threat, then I suggest that this house surrender its authority to the government and cease to avail itself of the rights under the rules of assuring that there will be adequate time for discussion of public business in this house.

If this motion goes through it will be more than a motion with respect to the business of today. It is an acceptance by every member who votes for the motion of the proposition that if the government does not want any subject adequately debated it will be only necessary for it to carry on business in a sufficiently disorderly way up to the closing days of a session so that members under the natural pressure of a desire to get home for customary holidays will submit to threats such as are placed before us and will regard their own convenience—I repeat, will regard their own convenience—as being above the business of this country.

After all, why is the press gallery at the end of this chamber? That press gallery is at the end of this chamber for a reason that is of importance to every Canadian and everyone who believes in democracy.

An hon. Member: That is what you are playing up to.

Mr. Drew: That press gallery is an integral part of this house.

Some hon. Members: Order.

Mr. Sinnott: There will be headlines tonight.

Mr. Drew: The press gallery is an integral part of this house for the purpose of making available to the people of Canada information about the debates which take place in this house. There is a limit beyond which the press gallery and the newspapers of this country cannot go in adequately informing the people of this country about their own business. If, through the device of continuous sittings, we crowd so much business together, there will not be adequate space under any circumstances for even a most condensed account of what the government may put forward as reasons for the legislation they are asking the members to support. After all, Mr. Speaker, I think that, no matter to what party we may belong, every member of this house should do everything within his power to make sure that the views of the government concerning the legislation which is put before us for consideration shall be adequately and effectively reported, within the normal limits of the press space available, and within the availability of the wire space of the members of the press gallery who must send their messages throughout the whole country. I have noticed, Mr. Speaker, that in the discussions that have already taken place there has been reference

to the word "obstruction", and that it has been suggested the members of this party are obstructing the business of the house.

Mr. Speaker: Order. I do not think that has come up during the debate on this motion.

Mr. Drew: I shall be very happy to send Your Honour a copy of *Hansard* which will indicate that the word was used. I took it down at the time it was used. In any event, I can dispose of it because I would simply point out that the discussion of this motion, and the amendment that has been moved to it, is something that relates to the fundamental question of whether we are going to insist upon an orderly method of conducting the business of the house, or whether we are going to see the same pattern repeated year after year. At the end of each session we have seen the necessity for motions to crowd the work in the closing days. It is utterly impossible to avoid the conclusion that this is done for the deliberate purpose of preventing adequate discussion of extremely important matters. There is one way, and one way only, of making sure that no such impression can be conveyed to the people of this country, and that is for the government to indicate that it will adjourn until a date in January when the business of this house that is still before us can be adequately discussed.

It would be a reflection on the sense of responsibility of this house if, with the important measures that are still on the order paper, we hastened through these matters now, abrogating the ordinary rules in regard to the time at which the various stages shall be dealt with, and also avoiding the possibility of any adequate consideration being given to them. I would strongly urge the member for Winnipeg North Centre (Mr. Knowles) to reconsider the motion he has placed before this house, and to recognize he is establishing a precedent. He is also establishing as acceptable practice the delaying of business until the closing days, and the willingness of members to deny themselves any opportunity for orderly and regular debate, and submitting to the government demand that we carry forward the business without further consideration.

I have taken the time I have to discuss this motion, Mr. Speaker, because I think that the amendment is an amendment which only slightly extends the time for debate, I admit, but nevertheless if the amendment is accepted then it will be an assertion by this house that, while we are willing to sit somewhat longer we are not willing to completely abandon the opportunity that members should have to be in the chamber while any important business is under discussion. I can only repeat my expression of surprise that the member for Winnipeg North Centre should seek to deny to any member the opportunity that he should have to be here continuously if he so desires, at a time when extremely important measures are under consideration. It is not enough to say that there will be different shifts moving back and forward between the dining room and this chamber to an extent that will maintain a quorum; that is not enough. It may be that those who are called upon to take the meal shift might want to hear something that is being said at that particular time. The ordinary rules of this house are designed to assure that an opportunity of that kind will, at all times, be presented.

In this house we have never accepted as a regular practice the idea of continuous sittings, for the quite sound reason that where important measures are before this house no member should find it necessary to miss some discussion which he regards as of importance simply to meet the ordinary demands of sustenance. I strongly urge the members to support the amendment that has been put forward, and I would urge those of the party presenting this motion to support that amendment to preserve the principle that we are not going to be hurried into a consideration of public business simply because the government held back the business until these late days. We could do exactly what we have done before, adjourn until January and then when we meet in January deal with these things in an orderly way when there will be no suggestion that anyone is accusing the other of obstructing or delaying the work. I assure you, Mr. Speaker, that the debate would be much shorter if we met in January when there would be no threat being held over the members of this house, because I have no hesitation in saying that it is in recognition of those threats that I have taken as long as I have to discuss the amendment that is now before us.

Mr. M. J. Coldwell (Rosetown-Biggar): What is it my hon. friends are anxious to do when they say they are anxious to debate resale price maintenance? For an hour and a half we have been discussing a procedural motion.

Mr. Drew: We did not introduce the motion.

Mr. Coldwell: I am suggesting, Mr. Speaker, that if hon. members are so anxious

to debate the bill, then we should settle the procedural matter now by taking a vote.

Mr. Fleming: And destroy the rights of minorities in parliament by doing so.

Mr. Coldwell: With regard to the rights of minorities, I know of no other parliament in the British commonwealth where a prolonged debate of this description could continue.

Mr. Drew: I know of no other parliament where we find business conducted in this way.

Mr. Coldwell: I am not defending the government's manner of bringing in the business in this session.

Mr. Fulton: You are making it possible for them to carry on.

Mr. Coldwell: I believe that every aspect of resale price maintenance has been debated already, and that anything that is said further by me or by anybody else will be repetitious.

Mr. Fraser: You are biased.

Mr. Coldwell: May I say that, to be perfectly in order, in a democratic parliament I think the house should make the decision. The procedure has been debated. Let us take the vote.

Mr. Howard Meeker (Waterloo South): Mr. Speaker—

An hon. Member: Another filibuster.

Mr. Meeker: —I am rather surprised at the motion made by the hon. member for Winnipeg North Centre (Mr. Knowles).

An hon. Member: What are you reading from?

Mr. Speaker: Order. The hon. member must be given an opportunity to be heard.

Mr. Meeker: As I say, Mr. Speaker, I was rather surprised at the motion moved by the hon. member for Winnipeg North Centre. Along with the rest of the members of this house I recognize the inconvenience that the continuance of this debate is causing for hon. members. But I should also like to remind the hon. member for Winnipeg North Centre that at the present time there are, in Korea and in Europe, thousands of our Canadian soldiers who are just as anxious as we are here to be home with their families for Christmas. It may be said that they joined the Canadian army of their own free will, that what they are doing is their duty and they are doing their duty. I do not think any of us are forced to be here. I think we are all here in Ottawa of our own free will.

Mr. Sinnott: Where has he been all winter?

Mr. Drew: He was overseas during the war.

Mr. Sinnott: Where has he been all winter? That is what I want to know.

Mr. Speaker: Order.

Mr. Meeker: I was also surprised at the hon. member for Peace River (Mr. Low) for seconding this motion to continue this sitting without further interruption in the debate. Inexperienced as I am in parliamentary matters, even I recognize what they are trying to do. As I have been sitting here this morning, the thought struck me as to something that I wish had been done years ago. There are sitting here this morning, I am quite sure, members who were sitting here in 1945, and they are expressing their opinions and trying in every way possible to get themselves home for Christmas. I only wish that in 1945 those same members had tried as hard to get the Canadian soldier who was left stranded in Europe home for Christmas—

Some hon. Members: Order.

Mr. Fraser: You do not like it.

Mr. Meeker: —as they today are trying to get themselves home.

Mr. McIlraith: I rise on a point of order, Mr. Speaker. The hon. member who has just resumed his seat has made a remark reflecting on the integrity of all hon. members of this house—

Some hon. Members: Oh, oh.

Mr. McIlraith: —prior to the 1945 general election, and who have been twice re-elected and sent back by their constituents. I suggest, and I ask for your ruling on it, that that reflection and his remarks about those hon. members be withdrawn.

Mr. Fleming: Why are you so sensitive about criticism?

Mr. McIlraith: The electors of this country passed judgment on those people and their fitness to sit here twice since that time. That does not apply to all hon. members but only to those who were here prior to the 1945 general election.

Mr. Drew: What the hon. member has said is an expression of opinion. What he said was that he wished the members who were here at that time had indicated the same effort and the same desire to get the young men in uniform home for Christmas as is now being indicated on this occasion to get themselves home. That, after all, is an expression of opinion. I would, however, suggest that it was prompted by an interruption by an hon. member on the other

side of the house who interjected: Where have you been? I would recall that the young member who has just spoken was for some years overseas serving his country.

An hon. Member: He was not the only one.

Mr. Drew: No, he was not by any manner of means the only one, and he would be the last to suggest it; and he would be the last to suggest that there were not many hon. members on the government side who served their country in as gallant and as complete a way as was possible. But I suggest, Mr. Speaker, that the hon. member who has just raised the objection is showing an extremely sensitive attitude on this subject at a time when he apparently did not feel nearly so sensitive about the earlier interjection which had been made. I would suggest, Mr. Speaker, that the expression of opinion is not one which should call for any ruling by you at this time.

Mr. Sinnott: On a question of privilege, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Sinnott: I am the member who raised that point. I want to tell the house that the young member who is here had ample time to discuss this price maintenance issue had he been here during this session.

Mr. Fulton: He has been here during this debate.

Mr. Fleming: You are cutting him off and preventing him from speaking if he wants to.

Mr. Sinnott: Nonsense.

Mr. Speaker: Order. The hon. member for Ottawa West (Mr. McIlraith) has raised the point of order. I am sure the hon. member for Waterloo South (Mr. Meeker) did not intend to reflect on any hon. members in this house.

Mr. Meeker: Of course not, Mr. Speaker.

Mr. Speaker: Under the circumstances, I will allow the debate to continue.

Mr. George H. Hees (Broadview): Mr. Speaker,—

An hon. Member: More filibuster.

Mr. Hees: —I should like to note that the hon. member who made the original motion today was the hon. member for Winnipeg North Centre (Mr. Knowles), for whom I have the highest regard.

Som hon. Members: Question.

An hon. Member: Shush.

Some hon. Members: Order.

Mr. Cleaver: If the hon. member does not want the floor, Mr. Speaker, I should like to have it.

Mr. Hees: I should like to have just a little bit of order, coupled with the floor.

Mr. Brown (Essex West): What is your argument?

Mr. Hees: Mr. Speaker, in the past the hon. member for Winnipeg North Centre has commendably made pleas on behalf of the House of Commons staff when it was proposed that we should discontinue the pause for lunch hour and dinner hour and should work continuously right through. He seems now, however, to have forgotten about the inconvenience that these members of the staff would be put to. Instead of just waiving the luncheon interval and the dinner interval, he now wants them to work perhaps, if necessary, right through the night. To me, that course seems rather extraordinary in view of his former protests on behalf of the convenience of the staff. If we work in an orderly fashion from now until Friday night, as this party is quite willing and anxious to do, in order to get through the exceedingly important business which is before this house, the staff will work normal days. Then we will all go home for Christmas. The staff do not have to travel. They live here in Ottawa. If necessary, we will come back the following Thursday, work two days and have our week end and return again. I do not see that that is going to cause any great inconvenience to the staff of the House of Commons.

Mr. Brown (Essex West): We will be adjourned then.

Mr. Hees: I believe that the hon. member for Winnipeg North Centre, and his party, who sponsored this motion, are far more concerned with their own convenience than any imagined inconvenience of the staff. To put this motion up as a pretext for being worried about the inconvenience of the staff of the House of Commons leaves something to be desired, so far as I am concerned. It is unthinkable that the vitally important matters which still remain to be considered by this house should be considered under conditions of exhaustion, which the passing of this motion would ensure. We are all human beings. We are tired at the end of a reasonably strenuous session. If we go through today without a luncheon interval and without a dinner interval, and work the night, hon. members know that they will not, because of physical limitations, be able to give this vitally important legislation now before us for consideration anything like the attention that it deserves. If we vote for this motion it will

make this House of Commons a sham and a farce. It will be doing a tremendous disservice to the people who elected us to come here to protect their interests and to pass legislation, not ill-considered and hasty, but properly considered and well thought out.

At the present time we have before us three important bills. One is the annuities bill, which is of tremendous importance to all of those who sell and buy life insurance or annuities in this country. We have the Public Works Act. That is a bill which is also of vital importance to the conduct of business throughout this country; the handling of contracts, to the extent of billions of dollars, by this government, and which they propose, as they did last Friday, to do on a non-tender basis. The third is of course the bill dealing with resale price maintenance, which is of vital importance to a tremendous number of merchants throughout this country.

What this motion proposes to do is simply to throw them all in together and hope that everybody gets so exhausted that they cannot think; that we simply get too tired to think and everything goes through, and that is the kind of legislation this country would get. To propose to do that sort of thing in this house is nothing short of a national disgrace, and I would be very much ashamed to be a member of this House of Commons if I agreed to that kind of procedure. That is not the kind of thing that I was sent here to do by the electors of Broadview riding, and I do not intend to conduct their affairs in that way.

Some hon. Members: What about the filibuster?

Mr. Hees: We have, through the mismanagement of this government, had far too—

Mr. Speaker: Order. I think the hon. member should direct his remarks to the motion before the house.

Mr. Hees: Mr. Speaker, I was explaining that the reason we are confronted with this position today is the fact that on several days during this session the house was not provided with sufficient work to go on with, and had to adjourn. Because of that mismanagement on the government's part, it is suggested that we jam all this legislation together, ill consider it and, as the government hopes, pass it through as they want it. To me that is not the kind of thing parliament is elected to do, and I sincerely hope that we will not pass this motion, which I think is designed only to cater to the convenience of hon. members.

As the hon. member for Waterloo South (Mr. Meeker) said, there are a great many men at the present time fighting for this country who are only too willing to carry on their business over the Christmas season. They would like to be home, but they feel they have a responsibility toward their country. We have an equally great responsibility toward the country, to make sure that the legislation that this parliament passes is considered legislation, the kind of legislation which will be best for all the people of this country. I say the least we can do, especially in view of what those soldiers are doing in Korea today, is that, if necessary, we come back here after the Christmas recess and continue, in an orderly fashion, the business of this house, and that between now and Friday we continue in an orderly fashion during the hours that we originally set for this house—and, Mr. Speaker, they were set by hon. members and they were set for a specific reason. You cannot work longer than about two and a half to three hours without needing a rest. You must have that kind of rest. The legislation that is before us is of a vital nature and merits that kind of consideration. To give it any less is simply unthinkable. In view of that, Mr. Speaker, I hope that every hon. member will have the good sense and the good taste to vote against a motion of this kind, and that we agree to sit here in an orderly fashion to conduct the matters before the house as they were intended to be conducted, and give all these matters careful consideration so that the legislation that we produce at the end of this session—whenever it may be—may be such that we as members of this parliament may feel proud of it.

Mr. Hughes Cleaver (Halton): I am simply entering this debate to make a short five-minute plea for a return to sanity on the part of hon. members.

Mr. Fleming: On the part of the government, the C.C.F. and the Social Credit parties.

Mr. Cleaver: When feelings run high and men lose their tempers they often say and do things which they regret afterwards. Mr. Speaker, as one of the older members of the house—I hope the house will bear with me; I do not intend to say anything to offend anyone—may I say that under our rules every minority group has an ample opportunity fully to present all of their views and all of their arguments. But when the time has arrived that they have had that opportunity, and they have presented all their views, then our rules also provide that the will of the majority must prevail. After all, it would be a very strange thing if a small minority group would have the right and the power to push the majority around and do as they wish. Anyone who listened *ad nauseam* to the speeches that we had yesterday, Mr. Speaker, could not help

but admit that the speakers were running short of any arguments of any consequence to support their views. That was especially true when we listened to the interesting discussion of the battle of Bannockburn and that sort of thing. That was an indication that they had run out of arguments. The opposition have exhausted every possible argument that they could have against this measure—not the motion before us.

Now, let us see what the motion before us does. If there is still any member of the opposition burning with the desire to present further arguments to support his views against Bill No. 36, the motion before the house—we are now discussing the amendment to the motion—gives those members an extra sixteen hours in which to present their views. We could have twenty more 40-minute speeches in the extra time which this motion will give to hon. members. The house has been frankly told that we are facing closure on the 27th. Here is a motion which will give members of the opposition, if they have any honest desire to present any particular—

Mr. Drew: No, no.

Mr. Cleaver: —which will give them an extra sixteen hours.

Mr. Drew: Mr. Speaker—

Mr. Speaker: I do not think the hon. member should refer to a debate that has taken place.

Mr. Cleaver: Thank you, Mr. Speaker.

Mr. Casselman: Withdraw!

Mr. Drew: Withdraw!

Mr. Cleaver: Mr. Speaker—

Mr. Drew: No, Mr. Speaker; the hon. member has no right to question the honesty of purpose of members of the House of Commons in debate.

Some hon. Members: Hear, hear.

Some hon. Members: Withdraw.

Mr. Cleaver: I simply said that if there is any—

Mr. Drew: I ask for a ruling.

Mr. Speaker: Order. I did not understand the hon. member to question the honesty of anyone.

Mr. Fleming: He used the word "honesty".

Mr. Speaker: I do not think his words could be taken to apply to the extent suggested. There has been other strong language used, also. However, I would rule that if the hon. member has used improper language, he must necessarily withdraw it.

Mr. Cleaver: If I have said anything that offends any member of the opposition—and I mean this—then I at once withdraw it. I did not get up with the intention of being offensive.

Mr. Drew: Hear, hear.

Mr. Cleaver: I did not get up with the intention of offending anyone's feelings. But I did want to demonstrate, if I can, the very absurd position the opposition are taking. If any of them has a burning desire to express any further additional argument against Bill No. 36, then the motion moved this morning gives them an extra sixteen hours in which to do so. And I do urge members today to do nothing they will regret the day after tomorrow.

Some hon. Members: Question.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I, for one, have no doubt that the sitting of this house this day will prove to be an historic sitting. There are questions raised by the motion introduced by the hon. member for Winnipeg North Centre (Mr. Knowles), and by the attitude which has been displayed in reference to that motion, which raise issues of fundamental importance to the future of parliamentary institutions, and our system of responsible government.

Let no member mistake the importance of what is involved here today. What is the background of this situation with which we are now confronted? The circumstances are simply these, that we have reached Thursday of the week prior to Christmas, and it is only natural that members of the house should wish to be home with their families. That is a wish which I am sure is shared by all members of the house, and it is a perfectly proper and natural feeling. And I am sure it is the desire of their families; we are conscious of that.

In the face of that situation, and in the face of the fact that there are on the order paper some half-dozen measures of very high importance, what did we see within the past several days developing, by way of urge and intent on the part of the government, with full knowledge of this natural feeling and wish on the part of members? Was there what one would have expected on the part of a government with some sense of responsibility for the discharge of business of the house?

Mr. Speaker: Order. I know the hon. member wishes to comply with the rules, but I must remind him that the debate at the present time is on an amendment regarding the hours of sitting. I hope he will relate his remarks directly to the motion before the house.

Mr. Fleming: Yes. What we are confronted with is a proposal to extend these hours throughout the entire day, without any interruption, and throughout the entire night.

Mr. Gardiner: No.

Mr. Fleming: And I say—

Mr. Gardiner: On a point of order—

Mr. Fleming: It is not a responsible way for members of the house to discharge their duties.

Some hon. Members: Order.

Mr. Gardiner: The hon. member now speaking has already spoken on what he says is now before the house, namely the main motion.

An hon. Member: This is the amendment.

Mr. Gardiner: The only matter before the house is whether we should add fifteen minutes to the time already provided under the rules. That is all he can talk about. He has already spoken on the main motion.

Mr. Speaker: According to the strict interpretation of the rules, I think the Minister of Agriculture (Mr. Gardiner) is right. The debate at the moment is not on the original motion, but on the amendment. The remarks of the hon. member should be related directly to the amendment. Perhaps I have not been enforcing the rule as strictly as I should have; but that is the question now before the house. I will read the question. It says:

> That the hours of sitting this day be from 11 a.m. to 1 p.m. and 2.30 p.m. to 6.30 p.m. and 8 p.m. to 10 p.m.

That is the question before the house, and which hon. members should debate at this time.

Mr. Fleming: Quite so. And what I am seeking to do is to indicate that if that amendment is carried, it holds forth a hope of conducting the business of the house in an orderly and proper fashion—which is not going to be done if the amendment does not carry. That is the whole purpose of my remarks at this time.

Mr. Speaker: If the amendment does not carry, there is no assurance that the motion will carry. There is just one question before the house at the present time, and that is the amendment.

Mr. Fleming: Mr. Speaker, perhaps I have a greater feeling of apprehension about the fate of the main motion—

Mr. Fournier (Hull): You have spoken on it. You have already spoken.

Mr. Fleming: —than you have. And I say I am quite within my rights—and I say this with great respect, as I am sure Your Honour realizes—in saying that in the issues with which we are confronted now in this debate, looking at the realities of the situation, that if parliament is going to carry on its business in an orderly and fair way—

Some hon. Members: Order.

Mr. Fleming: —and if the fundamental privileges of parliament are going to be preserved, this amendment should be adopted. And if that amendment is not adopted, then I say to you, sir,—

Mr. Brown (Essex West): Would the hon. member permit a question?

Mr. Fleming: Yes.

Mr. Brown (Essex West): One of his political friends has attempted a form of intimidation upon me.

Mr. Fleming: What is the question?

Mr. Brown (Essex West): I am coming to it.

Mr. Casselman: What is the question?

Mr. Speaker: The hon. member has allowed the question.

Mr. Brown (Essex West): He has said that I will be watched when I stand up to be counted. Does the hon. member think that when I stand up to be counted—

Mr. Fleming: I fail utterly to grasp this question.

Mr. Brown (Essex West): Will you permit us to be counted?

Mr. Fleming: Yes.

Mr. Brown (Essex West): I am in favour of this motion, and I would like that opportunity.

Mr. Drew: One o'clock.

Mr. Fleming: At the proper time I hope the hon. member will stand up and that he will be counted. I believe if he feels so sincerely in the matter he will not hesitate to express his view, and I hope he will not yield to the kind of intimidation that has been held out under various motions on the order paper, including the one of the Prime Minister—

Some hon. Members: One o'clock.

Mr. Fleming: —which has been added to this morning by his oral threat of the application of closure on Thursday next.

So I commend the hon. member for his concern over these intimidations which are being applied to the house, not very subtly, by the government. I commend him. And when he refers—

Some hon. Members: Order.

Mr. Casselman: One o'clock.

Mr. Drew: Move the adjournment.

An hon. Member: Look at their faces now.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Fleming: Mr. Speaker, there are two very obvious reasons why we regret the introduction of the motion of the hon. member for Lake Centre—

Mr. Knowles: The hon. member for Lake Centre has gone west.

Mr. Fleming: The hon. member for Winnipeg North Centre—which has necessitated the introduction of this corrective amendment. The first reason is the one I was dealing with and on which I should like to say something further because I think it strikes at the roots of the freedom of parliament and the rights of minorities in the house. The other reason is a procedural one which may not be so far-reaching for future occasions but which is one that affects us very directly now at this stage of the session when time is very precious. We of the official opposition regret that the motion was introduced and has taken up valuable time that we had hoped to see devoted to the discussion of the important and urgent business on the order paper.

At the end of a session it is not at all unusual for the house to be willing to sit longer hours and to agree to any reasonable extension of time, but that is not what is proposed. The house has been holding three sittings a day, morning, afternoon and night, for the past ten days, and this motion does not come before us as a proposal to add an hour or two to the sittings of the day or the remainder of the session. It comes before us as a proposal to take the house by the scruff of the neck and make the house sit continuously all night.

Mr. Speaker: Order. I think the hon. member should address his remarks to the amendment. It is customary in the debates on the throne speech and the budget to give members great leeway, and I do not require them to address their remarks to either the motion or amendments. There is wide latitude allowed, but in other debates that is not customary.

Mr. Fleming: Sir, I was speaking about the willingness of the house to agree to any reasonable extension of the hours of sitting. The amendment proposes a short extension, and that is not necessarily the last word that we of the official opposition are prepared to say on the subject. We are prepared to be reasonable on the subject of hours of sitting, and we have never said anything at variance with that co-operative point of view. I want to make that abundantly clear, and in this I am authorized to speak for the leader of the opposition and the members of the official opposition. We would be quite prepared to be reasonable in this matter, as we always have been. If the house wants to lengthen the evening sitting tonight for an hour or even two hours we are not prepared to cavil about that. We are prepared to co-operate with the other parties in the house in expediting the business of the house, but we do not believe we are doing our duty by the business of the house nor by the fundamental principles of parliamentary responsibility if we simply allow the business of the house and the rights of minorities to be overridden, as will be the case unless the amendment is carried or a more reasonable frame of mind prevails than has been indicated either on the part of those who have spoken in support of the motion or those who have indicated their views in noisier fashion. I think that is showing a fair, reasonable and co-operative attitude on the part of the official opposition. I hope that that reasonable attitude will be emulated by other parties in the house. We have just as much desire as any party to see the business of the house expedited and, above all things, to see it carried on in an orderly fashion.

I have dealt with the second of the two aspects of the matter under discussion, the immediate procedural question. I turn to the other aspect, which is much more far-reaching in its implications as to what I think will clearly follow from what has been indicated during the course of the session unless the amendment is carried or, as I have said, some reasonable and co-operative attitude is shown by other parties along the lines I have proposed on behalf of the official opposition. We believe that the freedom of parliament is inseparable from, and as a matter of fact in many respects is embodied in, the rights of minorities in the House of Commons. You cannot talk any longer about the freedom of parliament if the rights of minorities are to be abridged. There are no rights more important to minorities in the house than those rights that are guaranteed them by the rules. Take away the rules, manhandle the rules and you will not be able to talk very long about the freedom of parliament because the rights of minorities will not last very long if the rules are tampered with.

In preserving the freedom of parliament and the rights of minorities in the house nothing is more important than that the rules

in regard to hours of sitting should be observed. Parliament normally treats these rules with great respect, and when it comes to a matter of extending the evening sittings, as we often do at the end of a session, care is taken to initiate these matters by discussion so that we may approach such questions in a reasonable manner with a view to achieving unanimity among the parties in the house. That has not been done on this occasion. If it had been there would have been no occasion for this long discussion today with respect to the motion and the necessary amendment which has had to be introduced to meet it. I recall the remarks in the discussion on the amendment made by the hon. member for Halton (Mr. Cleaver). He said something, which was echoed in the remarks made by the hon. member for Rosetown-Biggar (Mr. Coldwell) in discussing the amendment, that I think raises very far-reaching questions, questions whose implications I do not think were fully appreciated by those who made the remarks. The hon. member for Halton said that as the result of the debate which has been proceeding for the last couple of days members were running out of arguments. That may be his opinion, but what right has he to force his opinion on the house?

Mr. Speaker: I am allowing the hon. member to reply briefly, but I would point out that I stopped the hon. member for Halton when he attempted to speak along those lines.

Mr. Fleming: I was not going to go into the debate that has been proceeding; I simply wished to draw attention to one sentence in which he made a general observation about the position at which we had arrived.

Mr. Speaker: I shall permit it.

Mr. Fleming: The hon. member for Rosetown-Biggar (Mr. Coldwell), speaking on the amendment and referring to the position we had reached, said that everything had been said that could usefully be said. That again is his opinion. Has any member of this house the right to impose an opinion of that kind upon other members of the house who are waiting to be heard in the debate, who are anxious to enjoy the privilege that has been enjoyed by the hon. member for Rosetown-Biggar who has spoken in the debate? Why should their right be taken away? They are here to do their duty. They believe their duty calls upon them to state their position on the bill in the course of the debate. I say that no member of the house has a right to deprive them of the right to speak in this house, a right which they were sent here to exercise.

If motions of this type are to be moved, if the amendment that has been introduced or something like it is not adopted by the house, I say that a precedent will have been created today the last application of which has not yet been foreseen by any member of this house. It will have implications which no member can foresee at this moment. Some things have been said in the course of this debate, particularly by members of minority groups in the house, which I have no doubt will rise up to mock them in days to come.

If governments in office do not scrupulously respect the rights of minority groups and individual and private members of this house who are trying to do the business of the house in an orderly way, the freedom of parliament is ended. Let me suggest that no contribution will be made to the orderly disposal of the business of the house by a proposal that we should be compelled to go on and sit into all hours of the night. The amendment proposes to assert that the house shall not sit all night and until eleven o'clock tomorrow morning as does the main motion. We say that that is not the way to conduct the business of the house.

I wish the hon. member for Rosetown-Biggar were in his seat right now because I should like to remind him that no one has suggested more often in this house than he, when it has been intended to prolong the evening sitting for an hour or so late in the session, that that is not the way to carry on the business of the house. That has been his attitude even when suggestions have been made to extend the sitting for only an hour or so.

I was interested in the remarks of the hon. member for Peace River (Mr. Low) because I remember the filibuster carried on by Social Credit members in 1945 in connection with the Bretton Woods agreement. I was interested in looking up what was said at that time. The discussion had continued for some days and I should like to refer to the attitude taken by the hon. member for Rosetown-Biggar on December 10, 1945. It was obvious then that we were in the last days of the session or at least approaching the end. This happened on December 10, and incidentally that session ran until December 18. Therefore the position is not unlike that in which we find ourselves today on December 20, 1951.

The suggestion was made that night when eleven o'clock was reached that the house should sit for another hour to carry on the

discussion. The hon. member for Rosetown-Biggar was asked by the late Mr. Mackenzie King if he had any objection to extending the sitting after eleven o'clock and he replied, as reported on page 3277 of *Hansard* of December 10, 1945:

> I have no objection to extending the sittings of the house, provided that we can get through tonight.
>
> Mr. Mackenzie King: That would be the understanding.
>
> Mr. Coldwell: But if we are not going to get through tonight I see no object in sitting any longer. If there are just a few more questions that have to be asked and we can finish in half an hour or so I would be quite agreeable, but if we cannot get that understanding I am going to say no to the suggestion.

What a difference from his attitude today! That is not an isolated instance. As hon. members know, the hon. member for Rosetown-Biggar has at times objected strenuously to sitting past the normal hour of adjournment. He has said on such occasions that that was not the way to conduct the business of the house. Within reasonable limits, that is a sound principle. Reasonable limits would allow for what most hon. members would agree was some extension of the night sittings.

I have indicated that we of the official opposition are quite agreeable to extending the evening sitting of this house tonight for an hour or even two hours. But that is the very most. That would carry the sitting through until eleven o'clock or, at the very latest, midnight. We think in offering that suggestion that we are acting in a constructive and co-operative spirit. We hope that that spirit will be shared by all parties in the house.

But we do not propose to submit to any bludgeoning. We do not propose to have the rights of minorities in this house overridden. We are acting reasonably as a minority; we are acting co-operatively, and we make that suggestion in the hope that it will evoke corresponding co-operation from all parts of the house. But we are not going to be bludgeoned.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to say a few words on this. It is manifest that the words used by the hon. member for Eglinton (Mr. Fleming) in characterizing what is now before us are correct. It is perfectly clear from the words of the hon. member for Peace River (Mr. Low), who spoke jocularly about thirty-two hours, that what is happening is nothing less than what the hon. member for Eglinton has described.

I should like to refer for a moment to the suggestion which he made. I should like to repeat what he said, that we are accustomed to extra hours of sitting toward the end of a session. He has indicated that we are prepared to show what we always think we show, a reasonable readiness to co-operate. But it is one thing to sit until twelve o'clock, it is another thing to sit through the night until eleven o'clock the following morning. The one is reasonable in an emergency, the other is unreasonable and is manifestly nothing less than an attempt to destroy the rights of the minority. It would clearly make it impossible for that minority to function reasonably.

I have always been deeply impressed with the wisdom of our ancestors in protecting the rights of minorities as they have. I have often had occasion when I talk to people about parliament, when I talk to ordinary citizens whom I might be trying to interest in parliament, to say, "Why do we, after an election, after the pieces of paper have been put in the ballot boxes, accept the verdict and obey the people who have elected the majority?" Often the result is most unsatisfactory. I have been very dissatisfied with the results for years. Why do we obey? I suggest that one of the basic reasons is, first of all, that we are sporting people, or would like to think we are. We have been in a fight, we feel, and have been defeated, but next time we may win. Second, and more important we know that the rights of minorities will be protected and we will be able to express our views and try to win public opinion to accepting those views.

The rights of parliament undoubtedly are devised to that end. But here we have a situation where in effect what is being done is to make that virtually impossible. I should like to draw attention to one or two authoritative statements on the rights of minorities. As I say, I think that is absolutely basic to our whole system. The greatest surprise, to me, as it was to the member for Eglinton (Mr. Fleming), was the source from which this resolution has come.

As to the comments of the member for Rosetown-Biggar (Mr. Coldwell), I can remember so well the occasions upon which he has questioned these additional hours. He has said it makes it so difficult for the members of the opposition to discharge their duty, because no time is given to prepare. I can remember his being so eloquent on that subject.

I should like to draw to the attention of the house one of the most authoritative statements on this subject, because I do state with great earnestness that what the member for Eglinton has said is not a form of words; it is not rhetoric, but is a balanced statement. What is being done today is not merely the extension of time by a few minutes or two or three hours. What is being done today,

basically, is to say to the opposition, you shall not be allowed to perform the duties with which, by long tradition of this house, you have been charged.

I want to read, as I say, very briefly, from Jennings' work on parliament. It refers, Mr. Speaker, to what we all recognize, that this system which we have inherited and made our own would never work without a certain amount of what may be described as team play, a certain amount of the sense of fair play and co-operation between the government and opposition. We see it continually. It is continually in existence in this house, and I am only sorry that today, not on the motion of the government but on the motion of those we usually expect to take a very different view, it is called into question. One of the things we remember is that it is only by good sense and good judgment that minorities can discharge their duties. We have the right of closure in this house, but it has not been used for many years. It is a proper right. If and when it is used, the government takes the responsibility for using it, and no one could cavil at that.

As I say, I want to read briefly from this book. On page 506 it says:

> Legal devices are not and cannot be enough.

On the next page it says:

> The whole constitutional machine, is, however, impregnated with the principles of democratic parliamentary government. At the peak stands His Majesty's opposition—

I think that what the writer means by that is merely that His Majesty's opposition is representative of minority rights and the protection of minorities, I take it, is the great crowning glory of our system of government.

> At the peak stands His Majesty's opposition, ready and able to pounce upon injustice and oppression even more readily than upon defects of policy. In that it does not stand alone, for the government not only does not dare but does not want to act oppressively.

There is a statement as to what parliament has as its basis. We can say quite frankly that in general that is true. We can also say very frankly that when we think it is forgotten it is our duty, as well as our privilege, to object.

Then later on the same page the writer says:

> There is nothing whatever in the constitutional machinery that prevents an opposition from being suppressed.

In other words, a majority is a majority. There is closure in the house, and they can suppress. We know that is not the practice. Ordinarily the practice is that these ample powers given to us under the rules are respected.

[Mr. Macdonnell (Greenwood).]

I continue my quotation:

> Nor is there anything effective to prevent the power of the opposition from being completely destroyed by the destruction of free elections.

That statement is no doubt true, but we never think about that possibility.

> The opposition cannot outvote the majority. It can only carry out Canning's threat to defy it and appeal to the people.

Then again the writer says:

> The checks and balances are mutually interdependent. One alone cannot be overthrown, and so long as they remain, it is the function of the opposition not only to see that they operate but also to prevent gradual and insidious encroachments.

I suggest to any fair-minded man in this house that what is employed in the motion made here is a gradual—it is not so gradual, either—and insidious encroachment.

Again I quote from Jennings' book:

> For, in truth, the whole system is a free system, impregnated with ideas which are the product of centuries of constitutional development, and dependent in the last analysis on the will of the people to be free.

I should like to add a word or two and to ask why, after many occasions—let us state very frankly many occasions when the government has been fully playing the game with this constitutional principle upon which we base our way of life—is this time being selected as the time when the opposition is accused of being unreasonable? It has already been pointed out in answer to the hon. member for Peace River (Mr. Low), and judging by a simple test of arithmetic, that we have not taken a fraction of the time, in proportion to the representation in the house, as was taken by the Social Credit group in a courageous manner years ago. What is there that has happened that this matter needs to be dealt with in this way? Why can we not proceed in an orderly manner? Is this measure so vital, so important, so urgent that it is a matter of life and death? Nobody states that.

I am not going to go over the ground which has been adequately covered, but I do want to point out what was said in this house last night by the member for St. John's West (Mr. Browne). He challenged the members of the government, challenged the whole house in fact, by asking whether we could stand cross examination or any kind of examination of the evidence which was given before the combines committee. The criticisms which have been made of the committee I share. I was reading the proceedings again last night, and I was astonished at many of the things I found.

Mr. Speaker: Order.

Mr. Macdonnell (Greenwood): I just wish to say again that the motion made this morning seems to me to be, in spite of its innocent appearance of merely referring to the times of meeting and times of adjourning, in contradiction to the very basic rights that we have. It is for that reason I shall have to vote for the amendment.

Mr. Gordon Churchill (Winnipeg North Centre): We have had two propositions put before us. There is a motion by the member for Winnipeg North Centre (Mr. Knowles) that the house shall sit continuously, and an amendment on the part of the official opposition that instead of sitting continuously the time might be extended for this day. The hon. member for Eglinton (Mr. Fleming) has indicated that so far as the official opposition is concerned any reasonable extension of the hours of sitting for this day would be considered. But to suggest that the house must sit without intermission is astounding. It might be defended in a case of national emergency, but there is no national emergency facing us at the present time. It might be defended on some other grounds, but we have had no adequate reason presented to us for indefinitely prolonging the hours of sitting.

We have had suggestions put forward that in the interests of the staff of this institution the matter should be brought to a conclusion. Yet at the same time the suggestion is made to indefinitely extend the hours of sitting which would impose a serious extra burden upon the staff. That does not make sense. Several times in the course of the last few days it has been suggested to us that the Christmas season is approaching and the business of the house should be wound up quickly. It would be pleasant and interesting to have a normal Christmas; but obviously those who live at a distance from this city will be seriously inconvenienced this year. We have had held in the background over our heads the suggestion that we may have to reassemble immediately after Christmas, an event which means that people living at a distance from Ottawa will have to leave their homes on Christmas day or before Christmas day. I confess to surprise that there should be such a complete disregard of the interests of the people west and east of this city. As a matter of fact, I am prepared to leave on Christmas evening and come back here, if that is the determination of this house, or I am prepared to miss Christmas entirely. It will not be the first time in my life that I have not had Christmas at home. But I think such a course of action should be founded upon some greater reason than we have had presented to us here.

Why the haste? Why try to rush through the business of this house in a short interval? Why has there not been a more orderly arrangement of the business of the house? These are thoughts that go through a person's mind when he considers the possibilities that are ahead of us. As a representative of the people and as a student of the parliamentary system for a period of years, I think that this is a rather unfortunate example of the disregard of the prestige of parliament and of the rights of minorities within parliament. In the history of a parliamentary institution there may be occasions when extreme measures must be taken to force legislation through. There have been examples in the past when apparently merely obstructionist methods have been followed and it has been essential for the government to impose closure in order to force its measure through the house. But on this particular occasion we are not faced with that situation. We have been having a reasonable debate on the various issues presented to us. We have still facing us a heavy order paper containing matters which require careful and serious consideration. We should be given an opportunity to debate those matters carefully and with the attention they deserve. The thing that I find regrettable is the fact that some of the most important and most contentious measures facing the house this session should be brought to our attention at so late a stage, and should then be put before us with the suggestion: If you want to be home for Christmas, let us pass this legislation; be a rubber stamp; let it go through; fold up and go home.

I am happy to see that the opposition is properly standing its ground on this occasion and is asserting the rights of free men in a free society, namely that their voice may be heard and that the opinions of the people they represent may be presented here on the floor of the House of Commons.

If this amendment which has been put forward by the official opposition is not carried and if the motion which the hon. member for Winnipeg North Centre (Mr. Knowles) has presented to us is carried by the house, we will then apparently be in continuous session. I was interested in an opinion that was expressed by Your Honour this morning, to the effect that if this particular sitting ran over into tomorrow you would, prior to eleven o'clock in the morning, adjourn the house and that it would then reassemble for the next sitting at eleven. I should be pleased to be informed as to how that can be done. I have not sufficient experience on some of these matters, but I have been looking into the rules of the house and consulting the rules of the British House of Commons. I

find that, according to our rules, the Speaker of the house here is entitled to adjourn the house at six o'clock on a Wednesday and at eleven o'clock on other days, without question put. But if the sitting day runs beyond eleven o'clock, would it not be essential, prior to bringing that sitting to a close sometime tomorrow, that a motion be made for adjournment of the house? Would such a motion not be required?

According to the British practice, as given in the latest edition of Erskine May, 1950, at page 308, I notice that if a sitting on any day should be prolonged beyond the hour of meeting on the following day—that is, if the sitting of this house should go on beyond eleven o'clock tomorrow morning—no independent sitting can take place on that day, and the house rises when it has disposed of the business of the sitting prolonged from the previous day. Erskine May gives some examples. He says that the house was prevented from meeting on Wednesday, July 20, 1904; and he gives subsequent examples, the latest being July 23, 1937.

I am not sure, Mr. Speaker, whether a similar situation would arise here in this house, but I should be pleased to be informed on the subject. If it should be that the practice of this house would follow that British practice, and if we should be in continuous session throughout today, this evening, during the night and tomorrow morning, it seems to me that we would go on indefinitely unless someone moved the adjournment of the house, which might then prevent the proper sitting of the house on Friday. That is a matter on which you, sir, might be able to enlighten hon. members of the house.

Mr. Knowles: Will the hon. member permit a question?

Mr. Churchill: Yes.

Mr. Knowles: Just for the purpose of giving a bit of information, I wonder if the hon. member is aware of the fact that in this house in 1896, when the house was debating the Manitoba school issue, the sitting which began at three o'clock one Monday afternoon did not conclude until two a.m. the following Friday, according to the record. Yes, it went from three o'clock Monday until two a.m. the following Friday, and according to the records—both the *Journals* and *Hansard*—it was counted as one day's sitting. The point I am trying to convey to the hon. member for Winnipeg South Centre (Mr. Churchill) is that if the continuation of one day's sitting interfered with a formal new sitting of the house on those subsequent calendar days, the right to discuss the matter at hand was not interfered with at all. The house continued to sit night and day.

Mr. Churchill: I am grateful to my hon. friend and neighbour for enlightening me on this matter. That is just what I fear, namely that we may be in continuous session from now until we reach the conclusion of the matters on the order paper. The hon. member for Winnipeg North Centre (Mr. Knowles), for whom I have the greatest admiration, and who is recognized in our part of the country as an experienced authority on parliamentary procedure, has, I confess, disappointed me on this occasion, because I have always looked upon him as a stout defender of the rights of minority groups and of the opposition in this house. I was hoping that in another issue which may confront us shortly I would find some of his stalwart support behind me in a matter on which I feel very keenly. This is perhaps only one single solitary lapse from grace, and I am not going to condemn him outright on this occasion, because his reputation as a defender of the rights of minorities has been pretty thoroughly established, and I feel sure that once we get over the Christmas season he will be back on the side of right again.

You see what is ahead of us. If my hon. friend's motion should carry and our amendment is not found satisfactory we will sit here continuously until, I presume, we complete all the matters on the order paper, and that will be a good test of endurance. I do not mind a test of endurance. I think there are other hon. members here who are quite equal to facing up to it. But will our journey be really necessary through the long hours of the night? It seems to me that this incident here in the House of Commons points out very clearly the crisis that is showing up in our parliamentary life. We have been faced here with a tremendous majority on the government benches and a small number on the opposition side. Under these circumstances there is always the danger that the majority will on occasion become rather impatient with the small number facing them, and wish to hurry along with the business. But in the long course of the history of our parliaments there have been occasions when those who have been on the side of the Speaker have, in course of time, found themselves on the other side, and then they looked to the rules and the procedure and the established forms in the House of Commons to protect their interests. That is the reason why the rules, established over the centuries with regard to parliament, have

gained such respect and have been held in such high esteem by all parties. Each party realized that at some time in the course of its existence it is going to be faced with the necessity of being on the opposition benches. The rules have been devised not only to facilitate progress of important matters through the house and to facilitate the conduct of public business, but to protect the rights of minorities.

Unless they have complete freedom of debate and of speech, without being subjected to tremendous pressure, physical pressure of lack of rest and so on, unless they have complete freedom how can minorities present, as they should be presented, the issues that confront us today?

I join with the hon. member for Eglinton (Mr. Fleming) in urging that the suggestion he has made that some compromise be arrived at be seriously considered.

The opposition is prepared to extend the hours of sitting, but is naturally opposed to a continuous sitting of the house. I have pointed out the dangers that might result from that. That is the situation and that is why I hope all hon. members will support the amendment which has been put forward. It does make an extension of time and will keep us within the normal practice of this house, and will give people an opportunity to continue debates without being compelled by pressure of time to give inattention to those subjects that are of such great importance to our country.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I wish to speak to the amendment now before the house, but before doing so, may I say that while I do not wish to lose the right to speak to the amendment, if that should be necessary, nevertheless I do wish to indicate that I am willing to resume my seat immediately I have an indication from those who have so far taken the other side that they are prepared to consider or would like to pursue the idea of the compromise suggestion that has been made. I would like to repeat that suggestion at the moment. It is that rather than each of the opposing sides in this discussion taking irrevocable and irreconcilable positions, with the result that this discussion on procedure would undoubtedly be extensively prolonged to the prejudice of the discussion on the merits of the legislation, which I know we all want to get at, we consider whether it is not possible to reach an agreement on some reasonable extension of the sitting time today. A suggestion has been made that it might be one or even two hours this evening, which would bring it up to midnight tonight. I would imagine that with good will on both sides and with a genuine desire to discuss the merits of the legislation, rather than prolong the discussion of the procedural question, the merits of the legislation would be considered and that the business of the house would be expedited instead of prolonging the discussion of positions which at the moment are irreconcilable. If there is any indication at all that it is the desire at the moment to pursue that subject I shall be glad to yield my position. If not, I shall continue and speak on the amendment which is now before the house. I see that no one is anxious to take the floor which I have offered to yield.

Mr. Casselman: To whom are you referring?

Mr. Fulton: To the mover and seconder of the motion particularly, but if of course it is desired by them to discuss it further with anybody in any other part of the house, a private member or a minister, whether it be the hon. member for Springfield (Mr. Sinnott) or the Minister of Citizenship and Immigration (Mr. Harris) or other members of their own party, or whoever it may be, all they have to do is to say so and we shall be glad to facilitate that discussion. In the meantime I will carry on speaking to the amendment, but I shall yield my place at any time that I have any indication from anybody in any quarter of the house that there is a disposition to follow up this offer of a reasonable compromise.

In the absence of such indication I do have certain views that I wish to express on the amendment now before the house. Summarized briefly, the purpose of the amendment is to limit the discussion to the hours of sitting, which have been agreed to and laid down as the most effective for conducting in an orderly fashion the business of the house. In that respect, I should like to point out, it has been quite possible in the past to conclude even lengthy discussions, often under pressure, within the ordinary hours which apply at the end of a session.

Our amendment, if adopted, would extend the ordinary hours by fifteen minutes. As I have said, we are prepared to consider a compromise by which they may be extended by two hours. But I point out, particularly to the hon. member for Peace River (Mr. Low), that it has been the case in the past that matters upon which his party has been vitally interested, upon which they have carried on concerted and vigorous attack, have been capable of disposition within ordinary sitting hours.

I am somewhat surprised that the memory of the hon. member for Peace River should

have been so defective in this regard as to have allowed him not only to second the motion we have before us but also to make very inaccurate statements with respect to the previous occasion he had in mind. Because when the hon. member for Annapolis-Kings (Mr. Nowlan) was speaking, upon the occasion of his moving the amendment this morning, he referred to the previous filibuster carried on by the hon. member and his party in 1945. The hon. member for Annapolis-Kings pointed out that thirteen members prolonged the debate on the Bretton Woods agreeement for six days.

Mr. Low: That is not true.

Mr. Fulton: The debate on the Bretton Woods agreement occupied six days, and it was the party of the hon. member for Peace River who occupied the greater part of that time. If they had not wished to prolong the debate I imagine—and I was here on the occasion— it would not have lasted for more than two days.

Mr. Low: Your memory is very short.

Mr. Fulton: I have consulted *Hansard* in this regard.

Mr. Low: So have I.

Mr. Fulton: Just before saying what I have found, I wish to point out that this morning the hon. member for Peace River interrupted the hon. member for Annapolis-Kings by stating that the house was then sitting only from three o'clock in the afternoon until eleven at night. But that is not the case. During every one of those days, when that prolongation of debate was taking place, we were sitting from eleven o'clock in the morning until eleven at night. The debate took place on these days: December 6, 7, 8, 10, 11 and 14, 1945.

Mr. Low: Only part of each day.

Mr. Fulton: If the hon. member for Peace River feels that it was appropriate for only thirteen members to prolong the debate for six days—

Mr. Lesage: On a point of order, I am wondering to what extent the hon. member for Kamloops (Mr. Fulton) is in order when he revives the debate of 1945, when we are discussing an amendment the effect of which would be to prolong the hours of sitting for today only for fifteen minutes.

Mr. Speaker: This point has been mentioned by the hon. member for Peace River. I would ask the hon. member for Kamloops to reply as briefly as possible.

[Mr. Fulton.]

Mr. Fulton: The point I am trying to make is related definitely to the amendment we have moved. My point is that in 1945, when this prolongation of debate took place, we were able to dispose of it within the normal hours of sitting at the end of a session. Our amendment moved by the hon. member for Annapolis-Kings would restrict the hours of sitting to those normally applicable at the end of this session, with the exception of fifteen minutes.

What I am pointing out is that, on the basis of the best precedent, it is perfectly possible to conclude this debate within the normal hours of sitting. That is why I am defending this proposal in support of the amendment of the hon. member for Annapolis-Kings.

As I say to the hon. member for Peace River, in all fairness and with all pleasantness—and I have no desire to be unpleasant—I do not ask him to bear in mind that if his party of thirteen felt it appropriate to prolong the debate over six days in 1945—and I am not suggesting that they took every hour or every minute of that time—then I cannot quite see that he is being consistent and fair when he criticizes us because forty-six members of this party wish to have an opportunity for full debate, and thus far have continued the debate for only two and a half days. Forty-six members, two and a half days: thirteen members, six days.

I appeal to the hon. member's sense of fairness. In that regard I wish also to point out what was emphasized a short time ago by the hon. member for Eglinton, that this debate has not been monopolized by members of the official opposition. Fifteen speakers have taken part in it. Then, other parties have also had fifteen members taking part, divided as follows: Eleven Liberals, one C.C.F., two Social Credit and one Independent.

I submit therefore that a comparison of the two situations, those of 1945 and of today, is entirely in our favour. I appeal to the logic of the hon. member for Peace River. In the light of what they did in 1945 I submit that, if he wishes to be fair, he will agree that we have not by any means exceeded the bounds of propriety. We have not in any sense been unfair nor have we abused our rights, or our responsibilities to the house. Only one-half of the members occupying the time in the debate thus far have been from this party, and the debate has lasted only two and one-half days.

I would point out that in 1945 there was no suggestion at any time, particularly from the official opposition, that the debate on the Bretton Woods agreement should be choked off. There may have been exclamations of

impatience, as there always are; but it was confined to that. There was never at any time a suggestion from this side of the house that the debate should be unfairly limited, or that members of the Social Credit party should be placed under the undue, unfair and exhausting pressure the hon. member for Peace River is seeking to apply at this time.

It is said that after all there is no good purpose in our amendment, which seeks to limit the debate to normal sitting hours with, as I have said, the addition of an extra fifteen minutes. It is said that there is no purpose in the amendment, because if we are really interested in discussing this matter fully we should be willing to sit in perpetuity, as the hon. member for Winnipeg North Centre has just said might be the effect of his motion. Because then we can speak to our heart's content.

Well, that was slightly amusing when it was first said. But it has ceased to be amusing now, because the repetition of the statement has demonstrated perhaps more clearly than anything else that its sole purpose is, in effect, to shorten the session.

Mr. Lesage: On a point of order—

Mr. Fulton: The purpose of the amendment this afternoon—

Mr. Lesage: On a point of order, Mr. Speaker.

Mr. Fulton: Oh, very well.

Mr. Lesage: The hon. member for Kamloops has already spoken to the main motion of the hon. member for Winnipeg North Centre. I do not believe he should be entitled to discuss the effect of the main motion. He should stick to the amendment.

Mr. Fulton: I will, if you give me a chance.

Mr. Lesage: The hon. member was talking about the effect of the acceptance of the main motion.

Mr. Fulton: I have been discussing the effect of the amendment, explaining that its purpose is to limit the debate to the confines of normal sitting hours at the end of a session.

Mr. Speaker: On the point of order raised by the hon. member for Montmagny-L'Islet (Mr. Lesage), it is correct, as I pointed out earlier, that the discussion should be directed to the amendment, and not to the main motion. I have not held hon. members too strictly to that ruling; but the debate has now been going on for some time, and I think probably we had better get back to the amendment.

Mr. Fulton: I agree with Your Honour entirely; the debate should be confined to the amendment before the house. I am sorry we are not in agreement as to the method by which it can be confined. I thought I was directing my remarks to the amendment—at least, that was my intention. If I have been transgressing, then I shall try to follow the ruling. But I do wish to say that the purpose of my remarks at this stage is to demonstrate that if our amendment is carried it will not necessarily have the effect of prolonging the sitting days of this session. Because other debates, on subjects just as hotly contested, debates to which the term "filibuster" has been applied, have been carried on and concluded at the end of the session, under pressure of the desire to get home. This happened late in December of 1945, with normal sitting hours.

Our amendment seeks to confine the discussion on this hotly contested subject to very nearly normal sitting hours, only fifteen minutes longer than normal, instead of the motion under which it is proposed to allow it to proceed all night, all the next day, all the next night and so on ad infinitum until by sheer exhaustion all subjects on the order paper are disposed of.

What I am trying to do is to set out the purpose of the amendment and to show the hon. member for Montmagny-L'Islet amongst others that it will not necessarily prolong the session but that in fact it will probably have the effect of shortening it if our amendment is accepted instead of the improper motion that has been placed before the house. On the question of how best we are going to shorten the session, I am as anxious as any other member for reasons which will be obvious, namely, that my home is in British Columbia and it is very questionable whether I am going to be able to get home in time for Christmas even now, that it may be possible for members to get home for Christmas. I think the debate can be concluded and members allowed to leave here just as quickly if the amendment proposed is accepted as will be the case if the motion carries.

I point out in that regard, however, that with respect to the question of the length of the session I find it a little unseemly that there should be this desire to shorten it. After all, when we came here in October we were given to understand, and the people of Canada were given to understand, that we were coming for a full normal session. I point out to you, Mr. Speaker, and to hon. members opposite that by no stretch of the imagination can we be said as yet to have had a full normal session of parliament. Under these circumstances, bearing in mind the responsibility we owe to the people of Canada who have sent us here expecting us to

discharge our duty, I find it amazing and highly irresponsible on the part of members of the C.C.F. and Social Credit parties and the government, who support them in this move, to seek to cut short the work of parliament before a proper normal session has been allowed to come to its usual ending. We of this party wish to make it clear once and for all that we believe the work of parliament must be carried out and completed in an orderly fashion and that legislation of public importance should be attended to by members of the house even if it is necessary for them to curtail their own holidays in order to do so. That is the purpose of the amendment which has been moved and which I support.

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

YEAS

Messrs:

Adamson	Fraser
Balcer	Fulton
Blair	Graydon
Browne (St. John's West)	Hees
Casselman	Hodgson
Catherwood	Lennard
Charlton	Macdonnell (Greenwood)
Churchill	MacLean (Queens)
Courtemanche	McGregor
Coyle	Meeker
Dinsdale	Nowlan
Drew	Tustin
Fairclough, Mrs.	White (Middlesex East)
Fleming	—27.

NAYS

Messrs:

Abbott	Follwell
Anderson	Fournier (Hull)
Argue	Fournier (Maisonneuve-Rosemont)
Arsenault	Fulford
Balcom	Garland
Bertrand	Gauthier (Portneuf)
Blanchette	Gibson
Boisvert	Gingras
Boivin	Gour (Russell)
Boucher	Harris (Grey-Bruce)
Breton	Healy
Bruneau	Helme
Bryce	Henry
Cannon	Herridge
Cauchon	Hosking
Chevrier	Howe
Claxton	Hunter
Cleaver	James
Cloutier	Jones
Coldwell	Jutras
Conacher	Kirk (Digby-Yarmouth)
Corry	Knowles
Cote (Matapedia-Matane)	LaCroix
Cote (St. Jean-Iberville-Napierville)	Lafontaine
Cote (Verdun-La Salle)	Laing
Cournoyer	Langlois (Gaspe)
Darroch	Leduc
Dechene	Lefrançois
Dion	Lesage
Dube	Little
Dumas	Low
Eyre	Macdonald (Edmonton East)
	MacNaught
	Macnaughton
	McCann
	McCusker
	McDonald (Parry Sound-Muskoka)
	McIlraith
	McLean (Huron-Perth)
	Major
	Maltais
	Masse
	Monette
	Mutch
	Noseworthy
	Pearson
	Proudfoot
	Prudham
	Ratelle
	Riley
	Rinfret
	Roberge
	Robinson
	Rochefort
	Rooney
	Rousseau
	Sinclair
	Sinnott
	Stuart (Charlotte)
	Studer
	Tremblay
	Valois
	Ward
	Warren
	Whiteside
	Whitman
	Winkler
	Winters
	Wood—101.

Mr. Gardiner: I was paired with the hon. member for Souris (Mr. Ross). Had I voted, I would have voted against the amendment.

(Translation):

Mr. Gagnon: Mr. Speaker, I was paired with the hon. member for Temiscouata (Mr. Pouliot). That is the reason why I have not voted.

(Text):

Mrs. Fairclough: Mr. Speaker—

Mr. Noseworthy: Mr. Speaker—

Mrs. Fairclough: Is the hon. member announcing a pair?

Some hon. Members: Go on.

Mrs. Fairclough: Mr. Speaker, unless hon. members are announcing pairs I propose to speak on the motion now before the house.

Mr. James Sinclair (Coast-Capilano): I move, seconded by the hon. member for Montmagny-L'Islet (Mr. Lesage):

That the hon. member for York South (Mr. Noseworthy) be now heard.

Mrs. Fairclough: I was quite willing to extend the courtesy to hon. members who wished to announce pairs, but I claim the privilege to speak on this motion.

Mr. Speaker: There has been a motion by the hon. member for Coast-Capilano, seconded by the hon. member for Montmagny-L'Islet, that the hon. member for York South be now heard.

Mrs. Fairclough: I think I have the right to be heard. There was some confusion in the house due to some hon. members announcing their pairs.

Mr. Speaker: I refer hon. members to standing order 35, which reads:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard," or "do now speak" which motion shall be forthwith put without debate.

Mr. Noseworthy: On a point of order, Mr. Speaker, I should like the member for Coast-Capilano (Mr. Sinclair) to withdraw the motion.

Mr. Sinclair: I shall be happy to withdraw. The only reason I made it was that the hon. member was obviously on his feet, and you were not looking in his direction.

Mr. Speaker: The motion has been withdrawn, and I call upon the hon. member for Hamilton West (Mrs. Fairclough).

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, first of all may I thank the member for Coast-Capilano (Mr. Sinclair) for withdrawing his motion, and also the member for York South (Mr. Noseworthy) for requesting that the motion be withdrawn. I realize that in the confusion of the voting and the subsequent announcing of pairs there was some doubt who had first claimed the attention of the Speaker. I do thank these gentlemen most sincerely for giving me this opportunity.

I should like to speak now to the motion which is before the house concerning the extension of hours. Much has been said already this day concerning the consideration of matters which are now before this house. Inasmuch as several members have already announced personal reasons for voting for or against this particular motion, I think I might also state the position in which I find myself as an individual member of this house.

I happen to be one of those who, during the past month, have been sitting continuously on committees, on two committees at one time. On more than one occasion this has been the cause of some embarrassment to me because I felt that my place was in both committees. Both of these committees were considering matters which were of great interest to me, and upon which I wished to make representations. We were sitting from 9.30 in the morning, adjourning at 10.30 to go to the second committee, and sitting there until one o'clock. Then we would come into the house at two or 2.30, as the case might be, leaving the house again at three or 3.30 to return to the committee. We would sit there until six o'clock or later, and then often be called upon for some duties after that. We were still expected by our constituents to answer their letters, to look after matters which they had asked us to look after for them.

Personally I am quite willing to work all night. It would not be the first time I have done it. I have been doing it all my life, and I have managed to live through it. But there is a limit to the hours during which you can transact business in the departments of this government; there is a limit to the hours during which you can receive secretarial assistance. It is a physical impossibility to sit in committees for those hours, and still attend to the work which a member is required to do outside this house. So far as I am concerned personally, if this house decides to sit all night I shall be here. It will be very interesting to see just how many members of this house will be here. There are certain considerations, of course. I wonder what plans are going to be made for restaurant services, because you cannot sit all night long without food.

I have sat in committee meetings until the small hours of the morning, both in organization work and in municipal councils. I have full knowledge of the type of thinking that is done in the small hours of the morning. Tempers are frayed and judgment is poor. Here, in the highest tribunal in this country, we are asked to pass upon some of the most important legislation that has come before this house for some time, and to do so at a time of the day or night when human vitality is at its lowest ebb. I claim, Mr. Speaker, that is absolutely contrary to the best judgment of the members of this house. I do not think any man or woman in this country would want his personal affairs decided by a group of people who had been considering a matter for twenty-four hours. I would not want anyone making any decision on any matter affecting my personal affairs after they had been considering them for twenty hours. I would doubt very much the wisdom and judgment of the wisest man in the land after the expiration of that period of time. I feel, Mr. Speaker, that if this house persists in sitting all night long tonight, they are sabotaging the people of this nation who depend upon them to use wise and considered judgment in the matters which are before this house.

I cannot feel that the members of this house are really serious in pursuing this course. I know that within the last few hours we have debated at some length, and at times with some heat, on this question. But I would ask the members to reconsider, and in order to give them an opportunity for reconsideration I propose to move, seconded by the hon. member for Lanark (Mr. Blair):

> That the motion be amended by striking out all the words after "That" to the end of the question and substituting the following:
>
> "for this day's sitting the house shall after the dinner recess sit from 8 p.m. to 12 p.m.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the motion that has just been put offers to the house an

opportunity to express itself in regard to the proposal that was made, that the time of sitting be extended tonight until midnight, and that this added opportunity be given for the consideration of the measures that are before us. Having regard to the fact that we have already been sitting much longer hours than usual, and that most of the members of this house have been sitting on committees as well during these longer hours of the house, I submit that what the hon. member has said in support of this motion is amply demonstrated by the fact that so many of the members already have shown their inability to continue to sit the present hours, without extending them into an all-night session.

I believe the proposal which has been made is reasonable in every way. I think twelve o'clock midnight is the very latest the members of this house should be asked to sit to consider extremely important business affecting not merely thousands or hundreds of thousands but millions of Canadians in their daily lives.

When the vote was taken on the amendment it was perfectly clear that no matter to what extent the Prime Minister (Mr. St. Laurent) might indicate that, as head of the government, he was not asking his followers to follow a particular course, there was no doubt about what course was being followed by the members; and that course was consistent with the warning he gave as to what would be done unless the house carried through with this resolution.

I do not intend to enlarge upon the remarks which might justifiably be made and which will be made in regard to what this really means unless the government is prepared to accept a reasonable offer to extend the sitting hours tonight. I can only repeat to the leader of the house, who is in his place, that there is before us legislation of the utmost importance. Let me refer to simply one measure which calls for extensive discussion. I refer to Bill No. 23, to amend the Government Annuities Act. That is an act of vital importance to scores of thousands of Canadian workers. Right at this time agreements are under negotiation which depend upon certain features of this measure. It should be recalled, however, that this measure contains a section as to cash surrender provisions which has been opposed by the members of the Conservative party in the committee because of the effect these would have, quite apart from the provision of annuities. In fact, the opinion has been expressed that the inclusion of that section actually defeats the basic purpose for which this act was introduced. That alone is a subject which calls for extensive discussion and consideration. I have mentioned the others that are before us.

I suggest that the leader of the house indicate that he is prepared to support this amendment. If he gives that indication, I know perfectly well there will not be much doubt about the way the members of the party opposite will vote. Still better, I would hope that following the discussion that has taken place, the hon. member for Winnipeg North Centre (Mr. Knowles) would seek the concurrence of the house either in support of this amendment or in the withdrawal of the motion itself. I ask the hon. member for Winnipeg North Centre, who has been one of the most assiduous students of the rules, traditions and procedure of this house, to recognize what really was the effect of the Prime Minister's statement when he referred to this matter this morning. I suggest to him that he consider this motion not alone in the light of the way it originally stood but in the light of the statement made by the Prime Minister this morning. I took down what the Prime Minister said in the discussion of this subject. He said:

> Mr. Speaker, I do not intend to debate this motion, but I do intend when the house is in session tomorrow, if the business has not been concluded, to give notice under the closure rule that it will be applied on Thursday, December 27.

I hope the hon. member for Winnipeg North Centre will recall that there was no break, and that that was one sentence. In other words the Prime Minister is going to take no part in this debate, but he wants to know that if we do not submit and simply let everything go through tomorrow, he is going to introduce closure on Thursday, December 27. I would ask the hon. member for Winnipeg North Centre, who has been so greatly concerned about the freedom of the members of this house to express themselves, to recognize the fact that what we are discussing now is not a question of when we close but of whether this parliament is still the supreme authority or whether we are going to have the whip cracked over our heads by the Prime Minister of Canada in this way.

Mr. Knowles: Will the leader of the opposition permit a question?

Mr. Drew: Certainly.

Mr. Warren: He does not know it is Christmas.

Mr. Knowles: I wonder if the leader of the opposition realizes that, as a result of the announcement made by the Prime Minister this morning, it becomes even more imperative that my motion pass so that members

of the house can get all the time they feel they need to discuss the business before us.

We have been informed by the Prime Minister that this session will come to an end at two o'clock on Friday morning, December 28. That is the effect of his closure announcement. It is up to us as to how many hours between now and then we are to debate the measures before us. If my motion does not carry, or if the amendment of the hon. member for Hamilton West (Mrs. Fairclough) carries, we limit ourselves to a few hours today, to the hours laid down for tomorrow and to the time on Thursday, December 27, from eleven a.m. to two a.m. the following morning. But my motion would add to that period of time whatever number of hours we want to take between now and 10.59 tomorrow morning.

Mr. Drew: Mr. Speaker, I greatly regret—

Mr. Warren: Scrooge.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, may I suggest that the hon member who has just interrupted might, with more profit to the house and to himself, join in the Christmas carols that were being sung a short time ago outside of this chamber. We are trying to discuss a serious subject, and I regard it as an extremely serious subject indeed. I do regret very much that the hon. member for Winnipeg North Centre should find himself in the position of presenting arguments such as he has made. Whether I agree with his political views or whether I agree with the arguments he sometimes puts forward, I think he has had evidence of the fact that I have respected his efforts to enlighten this house in regard to matters affecting rules of procedure. I regret very much to find him employing such a specious argument as that which he has now used. I would have thought the hon. member for Winnipeg North Centre, if he was convinced that we were being deprived of our rights, would rise and say: We join you in this fight to preserve the rights of parliament. That I think would be in keeping with the stand he has taken here in the past.

Mr. Knowles: Once the Prime Minister (Mr. St. Laurent), or any minister of the government, has announced closure under standing order 39, I think it is, is there anything parliament can do about it?

Mr. Macdonnell (Greenwood): That is their responsibility.

Mr. Knowles: He has announced that, though I did not know the Prime Minister was going to make that announcement when I made my motion this morning. I submit the fact that he has announced it puts a different complexion upon my motion. As a matter of fact my motion is a godsend to the Tories if they only realized it.

Mr. Drew: Mr. Speaker, really we are getting the most convincing evidence as to why this amendment should be adopted. It is perfectly obvious that the hon. member for Winnipeg North Centre is already so tired that he cannot think now let alone later tonight. I say that of an hon. member who ordinarily is so clear.

Mr. Knowles: I shall be ready to speak at four o'clock tomorrow morning.

Mr. Drew: When he says this has already been done I would point out that the Prime Minister has not yet put any motion in regard to closure. The Prime Minister has said: Unless you submit, we are going to do it. Let me read his words again. I hope these words will not only be borne in mind by hon. members of this house but that there will be an opportunity for the people of Canada to know exactly what happened here today. I recall this one sentence, Mr. Speaker. I am quoting the Prime Minister now:

> Mr. Speaker, I do not intend to debate this motion, but I do intend when the house is in session tomorrow, if the business has not been concluded, to give notice under the closure rule that it will be applied on Thursday, December 27.

Oh, there was a time when the hon. member for Winnipeg North Centre would have been the very one to rise and tell the Prime Minister: No matter whether you agree with what we are doing or not, do not ask us to submit to a threat of that kind. Let us rather preserve the rights of parliament and the rights of hon. members to proceed with their debate in the ordinary way.

Mr. Gardiner: May I ask the leader of the opposition to read the statement that was made with regard to the same matter by the hon. member for Eglinton (Mr. Fleming)?

Mr. Knowles: Hear, hear.

Mr. Gardiner: Just before the Prime Minister answered him.

Mr. Knowles: He dared him to do it.

Mr. Drew: I am reading the quotation from the Prime Minister. The Minister of Agriculture is only too well aware that, though we might like our advice to be taken, we are not yet in the position where our statements as to what should be done are observed with regularity by the Liberal members in this house—and I am using the capital "L" in this case.

Mr. Gardiner: May I just say to the leader of the opposition that my memory of what happened is that the hon. member for Eglinton challenged the Prime Minister to move

closure and even suggested the opposition could not logically object to his doing so.

Mr. Knowles: Dared him.

Mr. Drew: I assume that the Minister of Agriculture, who is such a careful student of the press, read in the press this morning that the government was contemplating introducing the closure motion. And it certainly would not be surprising if any member had indicated that it would be an amazing thing if such a course should be followed in regard to a matter of this kind.

Mr. Gardiner: What I really did read in the press this morning, and in the Conservative press, was that the press is now convinced that the opposition are carrying on a filibuster in connection with this measure.

Some hon. Members: Hear, hear.

Mr. Drew: I am very pleased to know that the Minister of Agriculture has improved his reading habits—

Mr. Gardiner: I always read the Conservative press.

Mr. Drew: He now accepts as authoritative the statements in some of these papers which he took to task so severely in this house only a few months ago. But may I say—

Mr. Gardiner: I did not know they were in agreement with the *Gazette*.

Mr. Drew: May I say so far as the procedure in this house is concerned, that we are quite prepared to state our own position; and only the statements we make can be accepted as interpreting our position in this debate. The discussion that has taken place on this motion is simply an attempt to persuade the government to recognize the rights and duties of members of parliament, I repeat the sugestion I have made, namely that either the mover, with the concurrence of the seconder, seek the consent of the house to withdraw the motion or that the Minister of Agriculture, as the only minister now in the house, give his indication on behalf of the Liberal party that they will support the amendment. If he will do that, then we will have disposed of this and we can get on with the business of this house as expeditiously as possible, sitting through until midnight, which is the very latest we should sit. I ask the Minister of Agriculture whether he will not give that assurance. If he will, then we shall be able to get on with the business.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I was very interested in the turn the debate took just a moment ago when the Minister of Agriculture stepped in with a reference to what my colleague the hon. member for Eglinton (Mr. Fleming) said this morning. I did not understand the hon. member for Eglinton to say exactly what the Minister of Agriculture suggests. What I understood him to say was that the original motion was in effect something in the nature of closure, but I do not propose to haggle about that, because I do not imagine the Minister of Agriculture is asking us to believe that even if he is right in suggesting that the hon. member for Eglinton issued a challenge, the Prime Minister made up his mind then and there as to closure. I took the statement of the Prime Minister to refer to something which had been decided, and therefore it does not seem to me it is very relevant to attempt—if the Minister of Agriculture was doing that—to throw part of the responsibility on the hon. member for Eglinton. I am not so sure that the minister would object; nevertheless one would like to believe—and until I am forced to take a different view I will believe—that an important decision of this kind, which I think is of tremendous importance, was not made in that offhand manner.

Now that I am on my feet I should like to say a little more about the situation that faces us. I feel that the amendment moved by the hon. member for Hamilton West (Mrs. Fairclough) is a sensible and co-operative one. It is an amendment which shows that we do wish to go half-way or a good deal more than half-way from our point of view. The fact is that neither the mover and seconder nor the government have made any observation on this offer, but gentlemen opposite have said no with much more alacrity than the hon. member for Winnipeg North Centre. I have been looking at the hon. member for Winnipeg North Centre (Mr. Knowles), nearly all of whose utterances in this house I regard with great respect, and I have been allowing myself to believe—although I am not a mind reader—that perhaps if he had all this to do over again, he would not do it. But be that as it may.

At the present time the situation is that we have made a suggestion to extend the time for two hours, and that suggestion apparently is going to be rejected. There is another point I should like to refer to. I was interested when the minister for Winnipeg North Centre—

Mr. Knowles: Member.

Mr. Macdonnell (Greenwood): I am sorry—"member"—said, "You must now accept this situation because of what the Prime Minister (Mr. St. Laurent) has said, and because of the threat which you now know you face." Apparently the argument is that with this threat before us—and I shall come back to that in a moment—we must just run away in panic, and do what we are told.

It is quite true that the government will have the power, if I understand correctly the procedure of closure, when we come back next Thursday to cut us off, as the hon. member has indicated, at two o'clock next morning. I do not know if that is actually in the rules—

Mr. Knowles: Standing order 39.

Mr. Macdonnell (Greenwood): Then that gives even more significance to the threat of closure; and of course I accept the knowledge of the hon. member on that point. Nevertheless it is hard for me not to believe that the government, with the considerable influence it has in the house, if it wanted to go a little longer than two o'clock next morning, could not do so. As we have reason to know, the government has very considerable mastery over the house. At any rate I shall not match my views with those of the hon. member for Winnipeg North Centre on that point, because it is not necessary to tie myself to any view in the matter.

My feeling is that for us to be driven into panic by the threat which has been made would be in the highest degree foolish. As I said before, it is in my opinion an utterly unwarrantable tampering with the rights of the minority. For many years there has been nothing of that kind. There was a time when this house, I believe, did sit all night, or at any rate until the very small hours of the morning. Of course there were facilities in the house at that time which are not available today. Perhaps the men of those days were giants in more ways than one. But I gather they did not have to rely wholly upon nature unassisted. I think the remarks of the hon. member for Hamilton West (Mrs. Fairclough) as to the barrenness of the land, in respect of refreshments—if we have to stay here the whole night—are worthy of consideration.

It may be said that, after all, we are merely doing what is done in the British House of Commons. I believe they do sit long hours on occasion; but I submit the situation there is very different. They have something like 650 members, and no doubt they are able to spell each other in a way we are not able to do.

We have tried to behave like sensible men. I wish to point out again that no reason has been given for this haste. We have already spent four hours rather unprofitably, I think. It may be that we would have been on our way home by now, with all the bills passed—no one can prove that is not so—had it not been for this unfortunate step taken by the gentleman sitting to my left. No reason has been given, no effective suggestion has been made, no argument worthy of the name has been offered for taking this step. The hon. member for Rosetown-Biggar (Mr. Coldwell) greatly to my surprise—immensely to my surprise, because usually I regard him as one of the men in the house most devoted to its rights and privileges—has taken an opposite view. When I heard what he said this morning I could scarcely believe my ears. What he said was that everything that should be said in this debate in connection with resale price maintenance had been said. I submit there is only one person who can say that—and He is not in the house. I refer to a higher power than ours. How is anyone in the house, the Prime Minister or anyone else, to say when everything has been said that should be said? That makes a fool of the whole business. We have rules in the house. As I have said, the government has the right of closure. They can come along and say, "We will move closure", and the effects will be as have been stated.

I presume we will not have the Prime Minister undertaking to play the part of the Almighty and say, when the motion for closure is made, that he is making it because everything that needs to be said has been said. I presume he would just make it with the power of his government and his majority behind him. But to me it does show how utterly wrong-headed some of us have become in the matter.

I do not know what has happened to my friends to the left. I have been for some time in the habit of following them, but I certainly will have to be more careful in future about doing so, because today they seem to have been false guides to an extent I would not have believed possible.

Mr. Knowles: You do not mean the blind leading the blind?

Mr. Macdonnell (Greenwood): I was thinking of that but I left it out, because I did not want to insult you or myself. But I come back seriously to say this, that we have had a debate on this important question. So far as I am concerned, I confess I have not been able to my own satisfaction to read the proceedings of the committee, of which I was not a member. But I should be permitted to study those proceedings if I am to come to a satisfactory conclusion on this subject. I must say my reading to date of the proceedings indicates to me that its work was not completed, that we have not the evidence we need.

The speech of the Minister of Justice (Mr. Garson) confirmed that view; because, to the best of my recollection, nearly all the evidence he gave did not come from the committee proceedings but from other, independent sources. I am not quarrelling

about that; I am only saying that is an indication that we were perfectly within our rights—

Mr. Deputy Speaker: Order. The hon. member is far from the subject matter, I suggest.

Mr. Macdonnell (Greenwood): I respect your ruling, Mr. Speaker, and shall try to remain closely within the confines of the subject matter. I am complaining about the fact that we are being asked to have an all-night session. The hon. member for Hamilton West has pointed out with great clarity some of the things people do at all-night sessions of various kinds. We know that at social all-night sessions things happen of which there is not universal approval. And even at serious all-night sessions, which ours no doubt would be, the hon. member for Hamilton West has indicated just how fallible judgments can be. Indeed if judgments can be so fallible at four o'clock in the afternoon, what will they be like at four o'clock in the morning.

The hon. member for Winnipeg North Centre has promised us that he will make a speech at four o'clock in the morning. If he does, I shall no doubt be here and have to listen to it. But I do not believe it will be one of his best efforts. It will not get into his biography, when it comes to be written.

Again I feel that no adequate reason has been given, and no attempt has been made to give a reason. Now that we have two such reasonable men—usually—as the Minister of Public Works (Mr. Fournier) and the Minister of Agriculture (Mr. Gardiner) occupying the front benches, I suggest we have placed before them a proposal which would commend itself to any man of common sense. I trust that common sense will assert itself.

Mr. Rodney Adamson (York West): Mr. Speaker, in starting may I say I think this dog fight will do a great deal of good for the reason that perhaps it will emphasize the inadequacy of the rules of the house.

Mr. Fulton: The inadequacy of the government.

Mr. Adamson: I was a member of one of the rules committees and I made some suggestions—

Mr. Fournier (Hull): Mr. Speaker, we have on the order paper a motion concerning the rules of the house. I think the hon. member will admit that would be the proper time to discuss the rules, but on the amendment to sit until twelve o'clock I do not think the hon. member should enter into that particular subject.

[Mr. Macdonnell (Greenwood).]

Mr. Browne (St. John's West): Can anyone else speak on this point of order? What we are dealing with now is a question of the hours.

Mr. Fournier (Hull): Under the rules.

Mr. Browne (St. John's West): Surely reference can be made to the rules which are going to be brought in affecting hours.

Mr. Adamson: Perhaps we should say "conduct". The amendment deals with the conduct of the session as does the motion to sit continuously in order to push through the remaining business.

Mr. Fournier (Hull): Mr. Speaker, the hon. member is now discussing the main motion, and I think the discussion should be limited to the amendment.

Mr. Adamson: I am discussing the amendment to the main motion. The amendment in many ways supplements and complements the main motion.

Mr. Fournier (Hull): Mr. Speaker, I take objection to that. It destroys the main motion.

Mr. Adamson: That of course is the minister's opinion.

Mr. Deputy Speaker: The hon. member should refer to the particular amendment. I ask the hon. member to confine his remarks to the amendment.

Mr. Graydon: Put them both up for tender.

Mr. Adamson: The amendment extends the hours of sitting of the house this day. It has been brought about because of the delay in bringing forward legislation of vital importance to the house and the country. Sessions are unnecessarily prolonged causing such amendments to be necessary and desirable. It is a good thing that we are having this debate today.

An hon. Member: A wonderful thing.

Mr. Adamson: It brings out with crystal clarity, as several hon. members have said, the necessity for a change in the rules governing the conduct of legislation passing through the house. By this motion we are extending the hours of sitting. We are doing so for the reason that we are approaching the deadline of the Christmas festival, and it is desirable and necessary for hon. members to take part with their families in this supreme religious function of the year. If it were not for this deadline, if it were not what I shall term this squeeze play against Santa Claus, perhaps this whole business would not have come up and the debate would not have proceeded on its present terms. The reason we are in this situation

is that legislation was not brought into the house and proceeded with from the very commencement of the session. Legislation was indicated in the speech from the throne and it has been delayed, with the result that we have amendments to lengthen the hours of sitting of the house.

I think an increase in the hours of sitting at this time is very desirable. I had hoped that this morning the Prime Minister (Mr. St. Laurent) might move an extension of the hours to midnight and possibly the abolition of one of the meal periods, because I felt that would give us sufficient time to debate the legislation we were considering and the other bills without having to do so in an exhausted state. There is a limit, Mr. Speaker, as you must know, and as all hon. members must know, beyond which the brain of the average man will not function coherently and intelligently.

An hon. Member: That is evident.

Mr. Adamson: If the hours of sitting go past a certain point the attention given to very important legislation before us is likely to be warped, and in my opinion the amendment that has been proposed provides exactly the length of sitting necessary without introducing the exhaustion factor which is so dangerous in passing any legislation. I say that one of the most dangerous things we have to face is legislation by exhaustion. I had hoped that a motion would be introduced by the Prime Minister so the hours could be extended and we would have an opportunity to continue the important debate in which the house has been engaged. It was suggested if the amendment was acceptable to the mover of what I shall call the exhaustion motion then we would agree, and as a matter of fact we made the suggestion that the hours spent so far in debating this whole question could be made up in other ways. That was not acceptable. Therefore I must emphasize, so far as this most important question is concerned, the danger inherent in our procedural practice.

At the commencement of every session there are long debates, the time spent on which could be more advantageously used if it were possible to set some dates on which various items of legislation would pass through the house. We would not find ourselves, as has been the case in other sessions since I joined the house, faced in the last week or two with some of the most important legislation. With time running out, faced with much that cannot be done, with many contentious bills before us, with frayed tempers, with all the other conditions which destroy the judgment of hon. members, fighting against a deadline as we are now fighting against the deadline of Christmas, we are asked to pass important legislation.

I think the suggestion that has been made is reasonable. It will assist in every way a reasoned approach to a most contentious bit of legislation. I think it ill becomes the C.C.F. to suggest the exhaustion which this motion would impose and to which this amendment has been moved. I can remember that the last time this house sat through to the morning hours members of the C.C.F. made an ostentatious show of protest by bringing sandwiches into the chamber.

Mr. Macdonnell (Greenwood): And milk.

Mr. Adamson: And milk. I think such things lower the dignity of this honourable house. Either from bravado or from ostentation they took that form of registering their protest. Now they bring forward this motion, to which an amendment has been moved on which I am speaking, which would impose exhaustion. They have indicated by their previous actions that this is the sort of motion they would ordinarily protest against. This debate has not been a waste of time. It has been an interesting debate, though annoying to a lot of members.

Mr. Fournier (Hull): On both sides.

Mr. Adamson: On both sides. The fact that it has been annoying is a good thing because out of this annoyance may come a better understanding and a better processing of legislation through the house, at proper stages and at proper times during the session. If it does nothing else than that it will have been worth while. The more annoying it is, the more exasperating it is, the more we realize that Christmas is nearer and nearer and Santa Claus is stuck in the chamber—

Mr. Fournier (Hull): The best speech the hon. member ever made.

Mr. Adamson: The irritation which has been engendered may prove a lesson to the government so that in the sessions to come we may have an orderly progress of business through the house. Therefore this debate has been most important on that score.

There is another danger in this type of pressure that is being applied. Instead of coming here as an individual to represent his constituency, as a member of a profession, as one having a knowledge of certain business, as one ready to add to the collective wisdom so that he may become part of the voice of the Canadian people, a member is becoming part of a professional assembly. Members of parliament are becoming members of parliament first and citizens second.

Mr. Mutch: Speak for yourself.

Mr. Adamson: I still have a profession.

Mr. Mutch: You may need it.

Mr. Adamson: Not as much as you will. Hon. members coming down here expecting to be able to look at legislation objectively—

Mr. Knowles: Would the hon. member be good enough to indicate the relevancy of what he is now saying to an amendment to extend the sitting from ten to twelve o'clock?

Mr. Mutch: You must still believe in miracles.

Mr. Knowles: I submit the hon. member is going far beyond the bounds of the amendment on which he is supposed to be speaking.

Mr. Adamson: I am speaking to an amendment which has the purpose of lengthening the hours of sitting today. I am simply pointing out that if we are required to sit extra hours it is because the business of the house had not been handled efficiently. One reason that has not been done is that many hon. members have become members of parliament first. They have allowed their judgment to be based solely upon what is politically desirable rather than upon what is economically or socially right.

This is one of the most important principles in all the parliaments of the free peoples. Just as soon as members of parliament base their judgment on what is politically desirable rather than what is right you will have a decay and degeneration of the whole political system. This very amendment to which I am speaking, in fact this whole debate, is a protest against the professional parliamentarian who makes a business of politics and comes here with that in view. It is a protest against a trend which is deplorable, which is dangerous. If this debate has not done anything else, it has brought out that.

I want to mention the filibuster, and it was a filibuster, which the Social Credit party put on on the Bretton Woods agreement.

Mr. Deputy Speaker: I do not think the Bretton Woods agreement can be mentioned in discussing this amendment.

Mr. Adamson: I shall have to deal with that at another time.

Mr. Fournier (Hull): Next session.

Mr. Adamson: Next sitting, or next session, whatever it is. I am reminded, Mr. Speaker, of a happy practice that took place long ago when we had all-night sittings. Hon. members on one side of the house threw a baseball across the floor to members on the other side so they would keep awake. I think it was a salutary practice. Mr. Speaker, I support this amendment—

An hon. Member: With conviction?

Mr. Adamson: Yes, with conviction, and for the reasons I have stated. I protest now, as I have protested before, against legislation being passed by the squeeze play.

An hon. Member: By a majority.

Mr. Adamson: By a majority, that is correct, but this legislating by exhaustion, by the squeeze play is a dangerous thing. If we are to have closure—

Some hon. Members: Order.

Mr. Adamson: This subject has been debated.

Mr. Fournier (Hull): It is out of order just the same, even if it has been debated.

Mr. Macdonnell (Greenwood): It is in order by custom.

Mr. Deputy Speaker: Mr. Speaker has decided it is not debatable on this amendment.

Mr. Adamson: That is something else I shall have to speak about, because I propose to speak on closure. Then, Mr. Speaker, in this amendment we are faced with the suggestion that we sit for two extra hours today. I am sure they will be used profitably for the continuation of the debate on the important matters before the house. I say that, Mr. Speaker, because it is of great importance that there be sufficient time for hon. members to have an objective approach, rather than a frustrated approach or an approach caused by annoyance and exhaustion. I believe the two extra hours we have suggested are the optimum of time this house can profitably use. I thank you, Mr. Speaker, and the members of the house for your courtesy in listening to me for these few minutes.

Mr. W. J. Browne (St. John's West): I was not here this morning when the motion was made by the hon. member for Winnipeg North Centre (Mr. Knowles) that the house should sit continuously, which means that it could sit until nearly eleven o'clock tomorrow morning. The hon. member for Hamilton West (Mrs. Fairclough) has proposed an amendment that instead of sitting from now until eleven o'clock tomorrow morning we should sit from eight o'clock until twelve o'clock this evening. This results in an extension of two hours beyond the normal

hours we have been following for the last few days. If this motion to sit all night is carried it will be quite clear, as the hon. member for Broadview (Mr. Hees) has said, that the members will be physically exhausted. They will not be able to give proper attention to the legislation of the house.

There are seven items on the order paper. I do not think the house leader will say that any one of them is less important than the others, and they all deserve serious consideration. Since they deserve serious consideration, members ought to be in good condition when these measures are considered. How can members be in good condition if they are going to sit all night? As the hon. member for Broadview has said, that legislation will not receive the attention it deserves, and it may have some serious defects which would be prejudicial to the interests of the people of this country. The amendment, therefore, is a reasonable one. We should prolong the sitting this evening by two hours, but any extension beyond that will have the same result as if the motion were adopted.

I quite understand the eagerness of the member for Winnipeg North Centre, and other hon. members, to get home for Christmas. It is a natural reason, and a good many members have gone. I counted the number of Liberals in the house today and I believe there are 91, so it looks as if half of them have gone home.

Mr. Fournier (Hull): How many Conservatives?

Mr. Browne (St. John's West): There are 27 out of 45 here. In any case, it shows that most of the members of the house have gone home and the legislation could not receive the attention it deserves. Why is it that the government does not adjourn the house to a reasonable time in January? I am mindful of the editorial that appeared in the *Globe and Mail* this morning, which suggested that most members were anxious to have their income tax shared between 1951 and 1952. I never heard anyone express that opinion until I read it in the *Globe and Mail.*

Mr. Deputy Speaker: Order. The hon. member should speak to the amendment.

Mr. Browne (St. John's West): I am speaking to the amendment.

Mr. Fournier (Hull): You are out of order.

Mr. Browne (St. John's West): It is relevant to the amendment that we should have some reasonable solution to the impasse that we seem to have reached. The legislation before the house deserves proper consideration and I say, sir, that it is not going to receive proper consideration. I say that is a habit of this government in every session. When we reach the end of the session, legislation does not receive proper consideration. At the beginning of this session members were encouraged to speak as long as they liked on the address in reply to the speech from the throne so the time of the house would be taken up. On several occasions the house had to be adjourned at five o'clock in the afternoon because there was no business before it. Now when there is a lot of important business to be done, we are faced with two positions; either we sit here all night or we come back on the 27th and pass the legislation without having any discussion on it at all.

I am sure this must be a new situation, even to the majority of the members of this house. I am quite sure the majority of the members on the Liberal side have never been faced with that position before. How many members on that side have sat through an all-night session? I suppose the Minister of Agriculture (Mr. Gardiner) and the Minister of Public Works (Mr. Fournier), who are old hands and have been here a long time, may have sat here that long forty years ago. But I do not think there has been any occasion in the last number of years when anybody has had to sit that long.

Mr. Knowles: They may be old hands, but they are not that old.

Mr. Browne (St. John's West): They therefore do not realize what they are up against. If we are faced with closure, that means the government will put through legislation—

Some hon. Members: Order.

Mr. Deputy Speaker: Order. Mr. Speaker has decided that the closure matter is not debatable on this amendment.

Mr. Browne (St. John's West): Mr. Speaker, I was only pointing out the two positions that we are faced with, and that the amendment which has been brought in by the hon. member for Hamilton West (Mrs. Fairclough), namely that we prolong the sitting for two hours this evening, was reasonable. I presume, sir, it is in order to speak of what the alternative would be if the reasonable amendment which has been proposed is not adopted. The alternative is that we sit all night, and that if we have not dealt with all the legislation by tomorrow morning at eleven o'clock, we will come back here next week.

Mr. Knowles: Oh, no.

Mr. Browne (St. John's West): That seems to be an apt illustration of the question that was asked by the Minister of Trade and Commerce (Mr. Howe), I think it was last session, when he said: "If we want to do something, who is going to stop us?". The government have a majority and they are going ahead with the legislation. They are going to have the house hours of sitting as they see fit, when there is no particular occasion for such pressure at all. I have not heard yet from the government side of the house any special reason why we should have all this pressure at the present time. What is the reason for it? Is there any hurry for this particular legislation that is on the order paper, or any reason that it should be put through in any special hurry? What is the reason for it? Why does not some member of the government tell the members of this house and tell the public?

Mr. Stuart (Charlotte): They cannot get a chance.

Mr. Browne (St. John's West): I am quite sure the members of this house would welcome the remarks of any members of the government if they wish to speak this afternoon. I am quite sure they would be glad to hear from the hon. member who has just interrupted.

As I said at the beginning, I think the amendment is reasonable, and that we should not be expected to sit up here all night. If we do, we will all be wrecks in the morning. The only time people should be expected to sit up all night is when they are sitting up with a sick person or sitting up at a wake. But I do not think we want this house to look like a wake house, as it would look tomorrow morning. Hon. members on the other side of the house are smiling now, but I do not expect to see any smiles on their faces after they have been sitting up here all night.

Mr. Fraser: Three o'clock in the morning.

Mr. Browne (St. John's West): For these reasons, Mr. Speaker, I support the amendment. I hope other hon. members will give the matter serious consideration and support it also.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker—

An hon. Member: Filibuster.

Mr. Dinsdale: —I have been listening with a great deal of interest to the discussion that has arisen suddenly out of today's proceedings. Not only have I been listening with interest to the arguments that are being presented in a more or less orthodox fashion by the members of this house but also to the catcalls that are coming from behind the curtains and various places in this house.

Mr. Fraser: On the government side.

Mr. Dinsdale: Yes, on the government side.

An hon. Member: Today or yesterday?

Mr. Dinsdale: I think a rather significant fact is emerging out of this discussion. I might sum it up by saying that the discussion is indicative of the fact that the opposition is at last taking a formal stand in the chamber against tactics that we might call autocratic, which have been becoming all to obvious.

I remember reading an editorial back last May, I think it was, to the effect that all opposition in Canada had collapsed; and it went on to explain that the present government had developed the technique of moving so far to the right and so far to the left that it had pushed off the C.C.F. on the one side and the Progressive Conservatives on the other. Today, however, we find members of the official opposition taking a stand against this political expediency for the sake of holding power. It may be that the gesture that has been made in this chamber today is rather futile because, inevitably, amendments will be voted down by a government majority. Nonetheless there is a principle at stake here. I feel that, on this extremely important occasion, anything that can be said should be said to protect the rights of the minority groups in this house.

The attempt that is being made by members of the opposition to get a fair hearing for the legislation still remaining on the order paper will inevitably be voted down unless we can persuade certain members of the government to think differently and come to our support. While that may be a forlorn hope, there is always the possibility. While that gesture can be voted down in the house, it is not the first time this stand has been taken. My very presence in this chamber is the result of a stand we took along similar lines against autocratic tendencies. On that occasion we did not depend upon the verdict of a limited number in this chamber. We depended upon the verdict of the public, the citizens of Canada, and they responded to the challenge in the affirmative. I feel that if we could put this question facing us today to the broader public, we would get the same affirmative response.

We are faced with some extremely difficult pieces of legislation. As I pointed out in my remarks on this subject previously, as a new member of the house I was quite amazed that we were not proceeding to a discussion of the

more important legislation at an earlier stage in the session. I was amazed at the devious treatment of this legislation on resale price maintenance.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member. I think he should confine his remarks to the matter under discussion.

Mr. Dinsdale: Thank you, Mr. Speaker. I shall try to stick as closely as possible to the point.

We have been led to the present impasse because of the delay to which I have referred which has necessitated the debate this afternoon and the amendment to which I am speaking at the present moment. I am told the impasse that has resulted from the delay is not a new situation, but that it recurs repeatedly session after session. I am rather proud to be a member of this house at this time, particularly a member of the official opposition taking a stand against these tactics. With regard to the amendment, it seems a reasonable approach to the problem. We have been forced into the situation where we are gradually being prevented from debating adequately the remaining legislation because of the lack of time and because of the pressure of the approaching Christmas season. Along with other members of the official opposition, I am disappointed that we have not the support of the other minority groups in the house, the C.C.F. and the Social Credit parties, at this time because a fundamental principle is at stake here. Being a small number of members, we are faced with an almost impossible situation. It looks as if we are going to be down to something like thirty to carry on this debate, on the important legislation before us, in a continuous marathon without any opportunity for rest or respite. As has been pointed out, it seems hardly a logical and reasonable approach to the problem.

A suggestion has been put forward that we should delay consideration of the legislation perhaps until the next session, when the whole matter could be discussed intelligently and reasonably. Then we have the alternative in the amendment before the house, and I think it is a reasonable one. The very fact that we have been sitting continuously and have had morning sittings all this week and for a part of last week has reduced a good many of the members to the point of exhaustion. Some have already left the struggle and gone home. I, as a member who has to go some considerable distance to get back for Christmas, can appreciate their desire to get away; but I considered it of sufficient importance to remain behind and take a stand on these issues that I have endeavoured to outline in these few remarks this afternoon. The opposition has not collapsed. I say that the opposition, in its stand during this debate, has contributed something to good government in this country and to the preservation of democratic parliamentary procedure. It has pointed the way to the time when there will be an alternative to the present administration.

(Translation):

Mr. Henri Courtemanche (Labelle): Mr. Speaker, I wish to add a few words in support of the amendment before the house.

I am wondering if the opposition should be criticized for its present stand. Our duty is to consider and to discuss legislation freely. Is it the opposition's fault if the government is asking us, at the very last moment, to agree to a bill of prime importance? And yet on certain days we have had to adjourn a little earlier than the limit set by standing orders because of lack of work. Today, on the eve of the Christmas holidays, I understand that certain members who have not the chance or the privilege to live as close to parliament as some others, should like to leave immediately for their home. I understand all that. But that is no reason to jam through the house a bill that requires serious consideration.

The standing orders have been approved after serious consideration. We have set reasonable hours of sitting. We are now asked to sit until disgraceful hours. Why should members of this house, regardless of party, have to put in longer hours than anyone else? With our backs to the wall we are being forced, by a majority, to approve this legislation against resale price maintenance, without proper time to discuss it. What does it mean?

Mr. Lesage: On a point of order. I would like to know what bearing the hon. member's remarks have on the motion to extend sitting hours from ten to twelve tonight? We are now debating the amendment moved by the hon. member for Hamilton West (Mrs. Fairclough). The debate has nothing to do with the motion moved by the member for Winnipeg North Centre (Mr. Knowles) or with resale price legislation.

Mr. Deputy Speaker: I thought the hon. member was just expressing his opening remarks; I would ask him to return to the matter at hand as soon as possible.

Mr. Courtemanche: Thank you, Mr. Speaker; we are just now faced with a situation where we are asked—

Mr Lesage: To prolong the debate.

Mr. Courtemanche: Where we are asked to express our ideas about anything—

Mr. Lesage: This is childishness.

Mr. Courtemanche: I wonder which side is being the most childish.

Mr. Lesage: Listen to yourself and you will see.

Mr. Deputy Speaker: Order.

Mr. Courtemanche: I believe it is the duty of every member to try to find in a bill everything he is entitled to expect from it and that it is also his duty to express his opinion. Why, then, should we not be permitted to express our views now? Why does the government want to finish the session this week? We have a mandate to fulfil and we would certainly not give the impression of being responsible people if we were to pass so important a bill in such haste. Just to prove to my hon. friend for Montmagny-L'Islet (Mr. Lesage) that I am more responsible than he would care to believe, I am asking him to discuss this motion more thoroughly with his friends and see if he cannot find a way to reach an understanding. We would thus be proving we are not here to waste the time of the house but rather to deal with the measures brought before the house with the necessary sense of responsibility.

I also ask that the amendment be reconsidered in order that this debate should not be unnecessarily drawn out. In that way the people would not be left under the impression that an attempt is being made to force the opposition into a strait-jacket.

(Text):

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I rise at this moment to support the amendment moved by the hon. member for Hamilton West (Mrs. Fairclough). I do so because I personally feel that twelve o'clock tonight is late enough for anyone to sit. Some hon. members have mentioned the fact that they sit all night in meetings. That is perfectly all right, but there would have been absolutely no necessity for members to sit all night long if the government had brought in the legislation at the proper time.

As has also been said, this legislation, if it is absolutely necessary, could have been brought in at the last session.

During this session on more than one occasion the house has adjourned early in the day owing to the fact that there was no business before the house for the members to proceed with. We have in the house at the present time just a handful of members. A few minutes ago there was only one minister in his seat. I dare say the other two who are in here now were taking a nap to prepare themselves for the all-night session.

Mr. Hosking: Oh, oh.

Mr. Fraser: And if the hon. member on the government side would come from behind the curtain, perhaps it would be more in line with proper procedure.

Mr. Cote (Verdun-La Salle): There are quite a few of your own behind the curtain.

Mr. Fraser: As the hon. member has just mentioned, some members on this side are behind the curtain. But let me add that they are not interrupting.

An hon. Member: They are asleep.

Mr. Fournier (Hull): They are speaking all the time.

Mr. Fraser: The Minister of Public Works has said that they are speaking all the time. Let me say to him that I have not spoken very often this session.

Mr. Fournier (Hull): I apologize.

Mr. Fulton: He would deny you the right to speak at once, if he had his way.

Mr. Cote (Verdun-La Salle): Make it short.

Mr. Fraser: I will make it as short as possible.

Mr. Fulton: Under the circumstances.

Mr. Fraser: But I feel sure the hon. member would like me to continue as long as possible.

Mr. Fulton: Hear, hear; we are all interested.

Mr. Fraser: Because I know very well he is one who is going to support the motion of the hon. member for Winnipeg North Centre to sit all night. I am just waiting for him to go out and take his nap so as to prepare himself for his all-night sitting.

Mr. Cote (Verdun-La Salle): It would be safer here than anywhere else.

Mr. Fraser: Perhaps the hon. member is safer here than anywhere else, because there is a terrible storm outside.

Mr. Gardiner: Since the hon. member has referred to the fact that I was here alone a

little while ago, I might give him this much information; that during the period hon. members on the other side of the house have been taking up the time of the house, the government was able to hold a full-size council meeting and do a lot of things for the good of the country.

Mr. Fraser: Mr. Speaker, I feel sure, then, that the cabinet owes a great debt of gratitude to the opposition for giving them that opportunity. It is about time they did hold a full cabinet meeting to decide just what kind of business they are going to carry out.

Mr. Drew: It is the first time they have had a chance for a full cabinet meeting for some time.

Mr. Fraser: Yes, it is the first time they have had a chance to have a full cabinet meeting because—

Mr. Gauthier (Portneuf): Out of order.

Mr. Fraser: Well, if the hon. member would look up from his book when he speaks, we might recognize him.

Mr. Gauthier (Portneuf): My book is far more interesting that your speech.

Mr. Fraser: I do not doubt that at all. I was saying that this is perhaps the one chance the cabinet has had to get together, because cabinet members—

Some hon. Members: Order.

Mr. Fulton: Who started this?

Mr. Deputy Speaker: Would the hon. member come back to the amendment?

Mr. Drew: Mr. Speaker, may I point out that the subject of the cabinet sitting this afternoon was raised by the Minister of Agriculture. I suggest to him that if he wants to stop the discussion of this motion a very clear way is indicated to him; because we are ready to sit tonight and get on with the business of the house, but we are not prepared to submit to the big stick.

Mr. Gardiner: It was not I who raised the question. The hon. member for Peterborough West (Mr. Fraser) suggested that the cabinet ministers had been having a nap, so I indicated to him that they were having a council meeting.

Mr. Fulton: The same thing.

Mr. Fraser: Then they have been napping for a long time; otherwise this business would have been brought up earlier.

Mr. Deputy Speaker: Order. I must ask the hon. member to revert to the amendment.

Mr. Fraser: Yes. As I said, when I stood up first—

Mr. Pearson: For the third time.

Mr. Fraser: —I wish to support the amendment of the hon. member for Hamilton West (Mrs. Fairclough).

Mr. Fournier (Hull): We never doubted that.

Mr. Fraser: I think it is a very fair amendment. We are meeting half-way the wishes of the government and those of the hon. member who put the motion. I think it would be only fair for the government and others to support the amendment. Then we could get on with the business of the house.

An hon. Member: Give us a chance to support it.

Some hon. Members: Question.

Mr. L. E. Cardiff (Huron North): Mr. Speaker—

Mr. Sinnott: You are hard up now.

Mr. Cardiff: Mr. Speaker, I have risen to support the amendment, because we have been sitting all day for absolutely nothing. I was never in my life connected with any institution that had so very little respect for the value of time; and I would like that to sink in. If in private life we conducted our business in the same way business is conducted in the House of Commons, we would all go broke.

Mr. Sinnott: You should know.

Mr. Cardiff: The Minister of Justice (Mr. Garson) has made an interjection. I would like to tell him that if he had brought this to the house in an orderly way after the matter was first mentioned on October 9, he would not be saddled with this kind of performance now.

Mr. Coldwell: "Performance" is right.

Mr. Cardiff: The fact of the matter is that many days during this session we sat waiting for some direction from the government to carry on.

Mr. Sinnott: Who are "we"?

Mr. Cardiff: They had nothing to offer us until the 65-day period, which is necessary for a session of parliament, was reached. No one was in a hurry.

An. hon. Member: Order.

Mr. Cardiff: What is wrong with that?

Mr. Fulton: They don't like it.

Mr. Hosking: It has nothing to do with the hours of sitting.

Mr. Riley: Would you like some old copies of *Hansard* to read?

Mr. Cardiff: According to the constitution it appears to be necessary to put in 65 days before we can collect our indemnity. In my opinion this session should never have been called at all. It is the second session in one year.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but it seems to me that he has drifted far from the principle of the amendment.

Mr. Cardiff: Well, I certainly want to abide by the rules, and I do not want to say anything that is not in conformity with the amendment before the house. But the fact of the matter is that because we waste so much time, surely it is in order—

Some hon. Members: Oh, oh.

Mr. Cardiff: Surely it is in order to say that I agree with the amendment that we sit tonight until twelve o'clock. This is not the first day's performance that has gone on in the house, and to no advantage. We have wasted more than one day.

Mr. Lesage: You have.

Mr. Cardiff: No, I have not. If the government had brought down its legislation in an orderly way, if it had brought down the important legislation when it should have been brought down, there would have been plenty of time to discuss and dispose of it. But because they brought it in at an hour when they thought the opposition would be weakened sufficiently—

Mr. Garson: The proceedings speak for themselves on that point.

Mr. Cardiff: They thought the opposition in the dying hours of the session would be weak, that it would fold up, and that the bill would be passed without any argument. Now they are finding the opposition is just a little stiffer than they expected. I do not wish to detain the house at length. I think perhaps this will be a good lesson to the government to not try this kind of performance on the opposition again because the opposition, apart from numbers, are just a little stronger than the government think they are. I should like to warn the government to adjust their program of business for the next session of parliament and bring in their more important measures at the commencement of the session, not toward the end. If they do so perhaps they will get more co-operation, and it will be a lot better for the country at large.

[Mr. Hosking.]

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to hear some of the members on the government side, especially the cabinet ministers—

Mr. Fournier (Hull): You don't say!

Mr. Hees: I would be very glad to sit down if one of the cabinet ministers would get up and express an opinion about this matter, because I think it is very important. Here we have a proposition before us that we should pass all the legislation the house still has to deal with in an all-night marathon session. Every member of the house who has stayed up all night at one time or another knows the state one's mind gets in around two, three or four o'clock in the morning. He knows perfectly well that the kind of consideration any hon. member could give legislation of any nature, let alone vitally important legislation of the type that is still to come before the house, is not the kind of consideration such legislation merits. I feel confident that when the motion comes to a vote all members of the cabinet will stand up and vote for it.

An hon. Member: All the Liberal members too.

Mr. Hees: They of course will vote for it, but I would be very distressed as a member of the house, whether in the opposition or on the government side, to see the cabinet, who are responsible for the conduct of affairs in the house, stand up and vote for a measure that will just make this House of Commons a shame and a farce, that will put legislation on the statute books for which we will be able to feel nothing but shame. It will not be the kind of legislation the people who sent us here expect us to pass.

I should like to hear some of the members of the cabinet express an opinion on this matter. Do they feel that jamming all this important legislation through in an all-night marathon exhaustion session is the way the business of the house should be conducted? I think the house deserves some leadership from the cabinet. I believe we would like to hear them express an opinion on this question, and say whether there are good reasons for passing legislation in this way. If they feel it is the right way to conduct the business of the country I for one would be very interested to hear such views expressed.

Mr. Fournier (Maisonneuve-Rosemont): In your hearing.

Mr. Hees: I should like to hear the members of the cabinet express their opinion.

Mr. Fournier (Maisonneuve-Rosemont): Just wait and see.

Mr. Hees: I would be very glad to wait for any length of time if I thought an opinion would be forthcoming, but I am afraid it will not be. I earnestly request the members of the government to let the house know what they think about this motion and whether they believe it is the right way to pass legislation. I hope before the motion is voted on we will hear that kind of expression of opinion.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had not intended to get back into this debate. After all, the purpose of the motion I moved this morning was to expedite dealing with the business before the house, not that we should spend the whole day deciding whether or not we are going to sit.

Mr. Fraser: That put the monkey wrench in it.

Mr. Knowles: There is before the house now an amendment to my motion which would have us take the usual supper adjournment and then sit tonight from eight until twelve o'clock. That has been put forward by those who support it as a reasonable proposition. All I want to say is that if I thought it was a reasonable proposition I would not hesitate a moment to withdraw my motion, if the house would give me consent, in favour of that proposition; but I do not see that it is reasonable. We have before us quite a few items of business to be dealt with and decided upon before this session ends. I do not see any possibility of the house giving these items adequate discussion in four hours tonight, in the eight hours that we sit tomorrow and in the few hours we would have on Thursday, December 27, in the light of the Prime Minister's announcement that closure is to be applied.

Therefore it seems to me that to pass an amendment which would lay down in ironclad fashion that we must adjourn at twelve o'clock tonight would be to deny the house the time it might wish to have to deal with the measures that are before us. Most of those who have spoken in support of the amendment and in opposition to my motion characterize my motion as necessarily calling for an all-night sitting, for a sitting until ten or eleven o'clock tomorrow morning. That is not so. It depends upon the house whether my motion results in an all-night sitting or a very short sitting. My motion does not fix a time for adjournment. The amendment of the hon. member for Hamilton West (Mrs. Fairclough) does fix a time for adjournment. My motion leaves it open to the house to take a short space of time, to take until twelve o'clock if we wish, or to take longer if we wish to conclude more of the business on the order paper.

I suggest if my motion were accepted by the house the result would be that some time tonight the house would be satisfied that it had done sufficient business for the day, and when that point was reached a motion to adjourn the house would probably carry. I want to be perfectly fair. I doubt if a motion to adjourn the house would carry until sufficient business had been done, including disposition of the contentious matter that was before us and perhaps three or four other items on the order paper. But to lay it down as a hard and fast decision that we must adjourn at twelve o'clock tonight after spending the whole day discussing whether or not we are going to sit is denying—

Mr. Fulton: You could have accepted the amendment immediately after lunch.

Mr. Knowles: The offer the hon. member for Kamloops made on the floor of the house had coupled with it a threat. The threat was that if I was not prepared to accept his offer they would continue debating at length the procedural question now before us. Would the hon. member for Kamloops (Mr. Fulton) in all seriousness expect me to treat that as on olive branch, or that it was a reasonable offer in any sense of the term? I cannot see that it was. Frankly I feel that those of us who would like to get home for Christmas have a right to cast our vote on the various propositions connected with the contentious matter before us. I think I have a right to vote on the amendment moved by the hon. member for Kamloops to the Combines Investigation Act. I think I have a right to vote on any other amendment that might be moved on the motion for second reading, and I think I have a right to vote on the motion for second reading itself. If there are only a few hours between now and the time we go home tomorrow night and if only a few hours will be available next Thursday, it raises the question of whether it is worth while for some of us to come all the way back for one day. We are in effect being denied our parliamentary right—

Mr. Fleming: By the Prime Minister's motion.

Mr. Knowles: —to render our decision on the price maintenance question as well as on the other questions that are still before us. Therefore I submit the reasonable thing for the house to do is to accept my motion. That does not mean we necessarily sit all night. The net result might very well be the hour of adjournment suggested by the hon. member for Hamilton West in her amendment. It

might very well follow as a result of my motion being adopted that by twelve o'clock tonight we would have completed the business of the house and the house would decide to adjourn, but if we pass an amendment saying that we have to adjourn at twelve o'clock, where are we if we have not got rid of today's business?

Mr. Fraser: In bed by twelve-thirty.

Mr. Knowles: I submit that the house should come to a decision on this matter.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I can assure the hon. member for Winnipeg North Centre (Mr. Knowles) that the house would have come to a decision on other important matters in which he is anxious to have a decision if he had not thrown a monkey wrench into the works, if he had not done that with all the appearance of doing it deliberately so that he himself could obstruct the procedure of this house and deliver more sententious speeches. He himself is responsible for prolonging and delaying the procedure of this house.

The hon. member has just said he feels that he should have the right to vote on the legislative matters before the house; that he should have the right to vote on second reading; that he should have the right to vote on this amendment. The hon. member will have a right to vote. Nobody is going to take away his right to vote. What the hon. member means is that after the government has deliberately delayed the introduction of this legislation until the dying days of this session we should allow ourselves to submit to the compulsion of that tactic and refrain from adequate debate. The hon. member for Winnipeg North Centre is saying, "I think all that can or should be said in this debate has been said, and I want to vote." In other words he is saying, "I do not want to hear any other member speak on this matter; I think we should have a vote now."

Mr. Knowles: Don't you?

Mr. Fulton: The hon. member's attitude is far more domineering and hectoring than that of the government. If it does indicate anything, it indicates the folly of electing a C.C.F. government.

Mr. Knowles: Will the hon. member permit a question? I am not going to worry about the remark he has just made. My question relates to the point he made just a moment ago. Will he reconcile for me his offer that we should have a vote soon on the amendment before the house with his suggestion that there should be still further debate on the question? You cannot have it both ways.

[Mr. Knowles.]

Mr. Fulton: I was going to come to that eventually, and I might as well come to it now. The offer made to the C.C.F. this afternoon, as the hon. member for Winnipeg North Centre knows very well, was made on the basis that this threat of compulsion should be withdrawn. I point out to you that the offer was made immediately after lunch, just after 2.30 when the house met again this afternoon, and it was repeated by two speakers on this side who each offered to give up his place, to resume his seat immediately, if there was any indication from the C.C.F., the government and the Social Credit party, all of whom are in collusion on this motion—

Some hon. Members: Order.

Mr. Coldwell: I submit that the charge of collusion is unfounded and the word should be withdrawn.

Mr. Fulton: Mr. Speaker—

Some hon. Members: Order.

Mr. Coldwell: On a question of privilege—

Mr. Fulton: The hon. member did not say he was speaking on a question of privilege.

Mr. Coldwell: Mr. Speaker, I submit that the charge which has just been made is unjustified and that the word "collusion" is unparliamentary and should be withdrawn.

Some hon. Members: Withdraw.

Mr. Coldwell: The hon. member spoke of conspiracy among—

Mr. Fulton: I did not say anything about conspiracy.

Mr. Coldwell: Collusion, which is akin to it.

Some hon. Members: Withdraw.

Mr. Fulton: The hon. member has made his question of privilege. I submit there is nothing unparliamentary in the word "collusion". I might as well tell the hon. member for Rosetown-Biggar—

Some hon. Members: Withdraw.

Mr. Speaker: The hon. member for Rosetown-Biggar (Mr. Coldwell) has objected to the use of the word "collusion" as between different parties.

Mr. Coldwell: The hon. member made the charge that there was collusion among the government, the C.C.F. and the Social Credit members of this house.

Mr. Fulton: There is at the present time, in that you are all supporting it.

Mr. Speaker: The leader of the C.C.F. party has said that there is no collusion between his

party and any other party in the house regarding the question which is now before the house, and the hon. member for Kamloops must take his word for it.

Mr. Low: Earlier in the day I said the same thing with respect to this group, that there was no collusion among the three of us.

Mr. Speaker: Under the circumstances I would ask the hon. member for Kamloops to accept the word of these two leaders.

Some hon. Members: Withdraw.

Mr. Fulton: I accept the assurance of the hon. member for Rosetown-Biggar (Mr. Coldwell) and of the hon. member for Peace River (Mr. Low) that there is no collusion. In that event I think it is desirable that we define our terms. Since apparently we are not in agreement as to the definition of the word "collusion", I will say that there is co-operation among those three parties on the motion before the house. The hon. members who are concerned tell me that there is no collusion among them, and I accept that statement. But I tell them that they will have to face the fact, that they will have to deal with the rumours that are going around the corridors of this building that there was a consultation between their parties and members of the government on the advisability of presenting such a motion. I am reporting that as a fact. It seems to me that if they do not want to explain that, it is for them to decide.

Mr. Coldwell: May I rise again on a question of privilege? The dictionary defines the word "collusion" as meaning a fraudulent and secret understanding between ostensible opponents in a lawsuit, and of course in any other way. If there is fraudulent and secret understanding charged against members, I submit that the word is unparliamentary and should be withdrawn.

Mr. Fulton: I withdraw the imputation on any broad line, but it certainly seems to me that there has been a secret understanding which has now come out into the open. I withdraw any imputation. I am glad to do so. I did not look it up before using the word, but I have already substituted the word "co-operation".

Mr. Coldwell: That is open and aboveboard and quite different from the other word.

Mr. Fulton: The hon. member can draw his own conclusion. I have stated it as a fact and he will have to deal with or ignore the rumours which are circulating through this building that there was a prior consultation.

The hon. member for Winnipeg North Centre has endeavoured to set himself up as arbiter of whether or not all the debate that could usefully take place has in fact taken place. I was pointing out that for him to do so is to go far beyond any arbitrary position he has ever accused this government of taking. It shows the folly and the danger to which we would expose this parliament and this country if at any time the C.C.F. should be elected to power.

The hon. member must have known this motion would be bound to give rise to a considerable debate. Had it been introduced by any other party or by the government with respect to a measure in which his party was vitally interested it would have given rise not to one day's debate but to a debate of two, three, four or five days.

Mr. Lesage: I rise on a point of order. The hon. member for Kamloops, in spite of the indications that have been given to him by you, Mr. Speaker, and by Mr. Deputy Speaker, is still speaking on the main motion moved by the hon. member for Winnipeg North Centre (Mr. Knowles). He is not dealing at all with the amendment before the house. Before you came into the house Mr. Deputy Speaker warned hon. members that they should abide strictly by the rules, that they should speak to the amendment which is before the house at this time and not to the main motion.

Mr. Speaker: I agree with what has been said, but it is difficult to speak on the amendment without making some reference to the main motion.

Some hon. Members: Hear, hear.

Mr. Speaker: Hon. members of the opposition say "hear, hear." I am going to try to enforce the rule that the debate should be relevant, in spite of the difficulty. The member for Winnipeg North Centre (Mr. Knowles) during the course of his remarks referred quite fully to the main motion, and to the result of adopting that motion. It is, therefore, not fair for me to tell the hon member for Kamloops (Mr. Fulton) that he cannot say anything about it. I will ask the member for Kamloops to make his remarks as brief as possible and reply to what was said by the hon. member for Winnipeg North Centre. After that has been done will hon. members kindly address their remarks to the amendment and not to the main motion.

Mr. Fulton: I thought I should like, if I may, to answer a question which the member for Winnipeg North Centre asked me in the course of his remarks this afternoon. I am glad you pointed out to the member for Montmagny-L'Islet (Mr. Lesage) that I was in fact dealing, at the time of his interruption, with the remarks of the member for Winnipeg North Centre. As I said earlier,

I will go back for a few minutes to the question he asked of me regarding the offer which was made this afternoon. The offer was in the same terms as the amendment which we are now debating, namely that we would try to reach a compromise on the suggestion that the house sit beyond its usual hours, or until twelve o'clock tonight. The member for Winnipeg North Centre knows quite well that offer was made unconditionally when it was first expressed by the hon. member for Eglinton (Mr. Fleming). There were no threats attached to it, and when I repeated the offer I did not attach a threat to it. I simply said I had some remarks to make on the motion before the house, but that I would gladly resume my seat immediately if there was any indication from any of those in other parties of a desire to discuss this compromise. If there was no such indication then I must be forgiven for not sitting down, because if I sat down I would lose my right to continue speaking. If there was to be no discussion of the compromise, I desired to say a few words on the amendment; that was the substance of my remarks earlier.

Mr. Knowles: The hon. member went farther than that.

Mr. Fulton: How the hon. member can read any threat into it, I do not know. If he cares to take the attitude that anyone who interferes with or opposes his motion is threatening him, then of course he can draw that conclusion. I think neither the hon. members in the house nor the people in Canada generally will go along with him in his assumption that what he suggests to the house should be accepted without discussion, without delay, and in all due humility. If the hon. member for Winnipeg North Centre expects that result to follow, I can assure him he is bound to be disappointed.

I stress the folly of this procedure and the unwisdom of the refusal to accept a reasonable offer, which I point out was made as early as 2.30 this afternoon. It is all very well for hon. members to say we are being unreasonable in asking them to accept it when there would be only four hours left until twelve. I repeat that the offer was first made at 2.30 this afternoon when there would have been about seven and one-half hours, and the member for Winnipeg North Centre is well aware of the fact that the amendment his party has indicated they wish to submit to Bill No. 36 would have been discussed.

Mr. Speaker: I think we should try to keep away from the bill and discuss the amendment.

Mr. Fulton: Very well; I shall try to do so. The purpose of my remarks at that time was to refute the suggestion of the member for Winnipeg North Centre that it was unreasonable for us to make this offer because there would be only four hours left. There would have been seven and one-half hours, and he knew there would have been time for his party to discuss the amendment which they had in mind. We can see, therefore, just how unreasonable he and his party are in rejecting an offer when they say they wanted to discuss the amendment. They have rejected a reasonable compromise which would have cleared the way for them to discuss that all this afternoon and this evening. Mr. Speaker, I feel that there was never a clearer example of double talk than that in which the hon. member for Winnipeg North Centre has just indulged.

Mr. Speaker: Order. The words "double talk" are not allowed.

Some hon. Members: Withdraw.

Mr. Fulton: If you say the words "double talk" are not allowed, Mr. Speaker, I shall withdraw and say there has never been a clearer example of saying one thing and meaning another.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: Order. That is a definitely unparliamentary statement to make about another hon. member.

Mr. Fulton: I think probably the member for Winnipeg North Centre knows what I mean, and if you say the expression is unparliamentary I shall not repeat it—

Some hon. Members: Withdraw.

Mr. Fulton: —and I shall withdraw. As I was saying, the unwisdom of the refusal to accept this motion was demonstrated when the member for Winnipeg North Centre said he could not accept it because there would not have been time to discuss the amendment which his party offers, and in which he is interested. I believe the straits in which the hon. member finds himself in his attempt to justify his rejection of this offer, and the situation in which the house finds itself, follow the attempt to apply the big stick, either by way of the motion offered this morning or in the threat uttered by the Prime Minister (Mr. St. Laurent) himself. I trust the house will accept the reasonable suggestion we have put forward in our amendment and reject the motion of the member for Winnipeg North Centre.

Mr. F. E. Lennard (Wentworth): I rise to speak for a moment on this amendment, and I do so merely for the purpose of pointing out that I do not think due consideration has been given to the *Hansard* reporters. There are seven regular *Hansard* reporters, but for

several weeks they have been operating with one short. There is no available relief. I feel that is one thing that should be taken into serious consideration. In speaking to the amendment I might say that it would fix the time at which we would close at twelve o'clock tonight, and this would give these *Hansard* reporters some relief. If they have to work all night it is humanly impossible for them to do a good job. In that connection I wonder if any consideration has been given to the members of the press gallery.

Mr. Fournier (Maisonneuve-Rosemont): Take good care of them. You need them.

Mr. Lennard: I am not saying anything about the insinuation that has been offered. I am not making these observations for that purpose at all. I do feel we should consider these people who have to sit here hour after hour listening to the discussions that take place in this chamber. I do want to make this appeal, Mr. Speaker, for the members of the *Hansard* staff. As I say, they have been operating at a disadvantage having one of their members away. How they can carry on—

An hon. Member: You have said that three times.

Mr. Lennard: —if the amendment is not approved and if the motion is passed, I cannot understand.

Some hon. Members: Question.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I must confess to a sense of keen disappointment at what has happened here this afternoon.

Some hon. Members: Oh, oh.

Mr. Rinfret: What a sense of humour!

Mr. Fraser: The Liberals agree with him.

Mr. Fleming: I was speaking just before the recess at one o'clock. Had I continued to speak at that time I would have said many things that were in my heart to say and that I think should have been said in the house. However, when the house resumed at 2.30 this afternoon, I came into the house with a mandate given to me by the leader of the opposition (Mr. Drew) and the official opposition which I laid before the house in a spirit of conciliation and co-operation.

I said at that time that it was not unusual for there to be concerted at a late stage of the session proposals for extending the hours of the evening sitting. I said that we of the official opposition were quite prepared to be reasonable about this matter, and that we were not taking any stiff-necked attitude about it. With that authority I made to the house and to all three parties represented here outside of the official opposition the proposal that we should agree to extend the evening sitting. I said that we would be prepared to go as far as two hours. That would take the sitting up to midnight. As I indicated at that time, I felt that was a generous offer of co-operation put forward in a constructive spirit, in a spirit indicative of our wish to see the business of the house conducted in an orderly fashion, and also—and I said this—to expedite the essential business of the house.

I had hoped there would be enough leadership in the government that we might at that moment expect the Prime Minister (Mr. St. Laurent) or the leader of the house, the Minister of Public Works (Mr. Fournier), to rise and say that proposal was accepted in the spirit in which it was put forward. I fully expected that acceptance. Had that offer been accepted, the business that was to come before the house today, as announced last night at adjournment, would have had already this afternoon three and a half hours of debate and tonight would have been assured of four of debate. Including what remains of this afternoon's sitting, that is a total of seven and three-quarter hours of debate. When I took my seat there was not a move on the other side; there was not a gesture from the government that they were the least bit interested in the generous, fair and co-operative proposal I had made. One therefore can only conclude that the government does not want co-operation in this house. Apparently they prefer to proceed by the—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. member referred to an offer which was made earlier in the day but which apparently was not accepted by the house or was not acted upon. There is now a new amendment before the house. I think the hon. member should now direct his remarks to that amendment. I allowed the hon. member for Kamloops (Mr. Fulton) to speak at some length on the subject because the hon. member for Winnipeg North Centre (Mr. Knowles) had done so. I think those speeches balance each other, and that we should now come back to the amendment before the house.

Mr. Fleming: May I respectfully remind you, Mr. Speaker, that the present motion embodies the offer which I then made.

Mr. Speaker: That is correct; and I have suggested to the hon. member that he should discuss the amendment which embodies this proposal.

Mr. Fleming: With respect, Mr. Speaker, may I say that is the basis upon which I was approaching this question, namely that the amendment now before the house embodies

the offer then made, and it only became necessary to make this amendment because, under the circumstances I have just related, there was from the government or from the mover of the original motion no indication that they were or he was the least bit interested in the offer that was then made in good faith and in the spirit of co-operation.

An hon. Member: Let us vote.

Mr. Fleming: The amendment proposes that the evening sitting today be extended by two hours, from 10 o'clock to 12 o'clock.

An hon. Member: We all know that.

Mr. Speaker: Order.

Mr. Fleming: In view of the delay this afternoon for which the government is responsible, the amendment will not now offer the house as much opportunity to proceed with the business of the day as it would have offered if it had been readily taken up and accepted when it was introduced. I think that delay is regrettable, particularly at this late stage of the session when time means much to us all. The responsibility, sir, will rest upon the government for this delay.

Some hon. Members: Oh, oh.

An hon. Member: Well said.

Mr. Fleming: In case I did not make myself fully heard or understood, I repeat that the responsibility rests upon the government.

Mr. Arsenault: You will find out in the next general election.

An hon. Member: Time will tell.

Mr. Fleming: Yes, time will tell. With the government, responsibility will be shared by the hon. member for Winnipeg North Centre, who had an opportunity to rise at any time during the course of this debate on the amendment and say: "That is a fair proposal. I will accept it. I will ask the house for permission to withdraw my motion".

We heard the hon. member for Winnipeg North Centre undertake to make some comparisons between the amendment and the motion. His suggestion was that the amendment had the effect of imposing upon the house an iron-clad hour of adjournment. It is no more true to say that than it is to say that the rules of the house in laying down the hour of adjournment, or any other motions except one that leaves the hour of adjournment open, impose an iron-clad hour of adjournment. I do not think that is a fair and accurate description of the effect.

If the business of the house had progressed to the point where we were within sight of a goal acceptable to the house, then it would be possible for the house to deal with the situation then emerging. But what is the alternative, Mr. Speaker? The alternative is an indefinite session. That is the situation. That is the choice that confronts the house. Will there be, as is proposed in the amendment, an extension of two hours in the sitting tonight, with adjournment at the hour of midnight; or will we have an indefinite session which will not contribute to the effective discharge of the duties of the members of this house? We know from experience that this house does not do good work when it sits late at night. People become weary; nerves become frayed. Experience has surely taught us that we do not do good and effective work in these late hours. We made an offer in good faith, an offer that is now embodied in the amendment.

Mr. Cleaver: Let us vote on the amendment. You have held it up all afternoon.

Mr. Sinnott: Sit down and let us vote.

Mr. Fleming: I have been waiting hopefully for some indication from the Prime Minister or someone speaking on behalf of the government that the proposal, the fair offer that is embodied in this amendment, would be accepted by the government.

Mr. McIlraith: Let us vote on it and we will find out.

Mr. Fleming: It is no use for the hon. member for Winnipeg North Centre (Mr. Knowles) to say he is not satisfied with it. The decision, in the last analysis, will be taken by the government majority in this house. The government majority will certainly vote as the Prime Minister or some minister speaking on behalf of the government, with the authority of the government, invites them to. Is there enough leadership in the government, Mr. Speaker, in the face of this situation, so that we may expect the Prime Minister to say on behalf of the majority in this house who support him that the proposal is acceptable, and that the government majority will support this amendment? If the Prime Minister will say that we will ask no more; we will accept his statement and the matter can be disposed of.

The hon. member for Winnipeg North Centre, who along with his leader took strong objection to suggestions that there was something of an understanding between the government and the C.C.F. in this matter, obviously is not going to be permitted in these circumstances to pledge the government or the action of the government majority on this matter. It would be extraordinary if at this

stage, in view of what has been said, he undertook to do that. But will the Prime Minister, or will the government, just give us that simple assurance? Then it is quite obvious the amendment could be adopted and the house would be free to pursue the business of the day. How can the house, short of an undertaking of that kind from the Prime Minister or someone speaking with the authority of the government and on behalf of the government majority in this house, submit to a course which has within it the means of destroying fundamental rights of minorities in this house?

Mr. Fournier (Maisonneuve-Rosemont): Do you believe that?

Mr. Fleming: The Minister of Justice (Mr. Garson) finds merriment in the suggestion that there are fundamental rights of the minorities in this house that ought to be protected.

Mr. Cleaver: You have exercised them all day today.

Mr. Garson: What are you doing now?

Mr. Fleming: I suppose it is the same kind of laugh in which the Minister of Justice indulged in this house several weeks ago when an hon. member was detailing smuggling operations in which he indicated he had had a hand. There was the same kind of laughter from the—

Mr. Sinnott: On a question of privilege, Mr. Speaker—

Mr. Fleming: —from the Minister of Justice.

Mr. Sinnott: What the hon. member is referring to has nothing to do with the amendment before the house.

Mr. Speaker: I doubt whether the reference is proper. In any event it refers to something which took place during some other debate. I do not think it is a proper reference.

Mr. Fleming: I will not pursue that aspect of my discussion of the Minister of Justice, sir.

Some hon. Members: Six fifteen.

Mr. Fleming: Six fifteen, Mr. Speaker.

Mr. Cleaver: Go on.

Mr. Speaker: Is the house ready to continue this debate?

Mr. Fleming: Six fifteen.

Some hon. Members: Question.

Mr. Fleming: I have not finished, and it is 6.15.

Some hon. Members: Six fifteen.

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Mr. Abbott: Merry Christmas to one and all.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House
December 20, 1951

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber tomorrow, Friday, the 21st December, at 12.30 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute
Assistant Secretary to the Governor General

BUSINESS OF THE HOUSE

MOTION TO SIT THIS DAY WITHOUT INTERMISSION OR ADJOURNMENT AT TEN O'CLOCK

The house resumed consideration of the motion of Mr. Knowles:

That this day's sitting of the house continue without the usual intermission at one o'clock p.m. and at 6.15 o'clock p.m., and that the house shall not be adjourned at ten o'clock p.m. this day.

And the amendment thereto of Mrs. Fairclough.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to deal with one or two remarks that emerged during the course of the debate this afternoon. During that discussion we at times were discussing both the motion and the amendment, and you urged hon. members to restrict their remarks solely to the amendment. I now ask for your advice in the matter. I have been making a serious attempt to follow the course of procedure in the house. I have listened attentively to the rulings Your Honour has given on the various points of order that have arisen. I do not wish to be ruled out of order, and it is for that reason I now ask your advice.

My understanding of amendments is that there are three kinds, the first of which adds words, the second of which strikes out words and substitutes others, and the third of which strikes out the original motion and substitutes

something entirely different. That is the type of amendment we now have before us.

I have always understood that under those circumstances the house was privileged to consider the motion and the amendment as alternative propositions. Paragraph 338 in Beauchesne's third edition states:

> The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question. This may be effected by moving to omit all the words of the question after the first word, "That", and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the motives of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

Then I find in Sir Erskine May's Parliamentary Practice, fifteenth edition, at page 398 a paragraph headed "Object of an Amendment and Effect on Debate". The paragraph is as follows:

> The object of an amendment may be either to modify a question in such a way as to increase its acceptability, or to present to the house a different proposition as an alternative to the original question.
>
> The latter purpose may be effected by moving to omit all the words of the question after the first word, "that" and to substitute in their place other words of a different import. In that case debate that follows is not restricted to the amendment but includes the purpose both of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

My question is this: Is not the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) one proposition which is held before us of a continuous sitting, and the amendment which has been presented an alternative proposition of a sitting up to midnight of this day? Consequently in debate, in order to show the reasons in favour of adopting the amendment, it is essential to point out the weaknesses of the original motion and the strength of the amendment. Alternatively a person supporting the motion would wish to show the strength of that motion and the weaknesses of the amendment. There you have alternative propositions for the consideration of the house. Restricting the debate solely to the amendment seems to me to limit debate on the matter, because it is difficult to advance all the reasons in favour of the amendment without at the same time pointing out the way in which the amendment is superior to the main motion. I ask this question in order that the debate may proceed in an orderly fashion. For my own guidance I should like your comment, because if I am permitted to discuss the points that have been raised on the main motion and point out that the alternative amendment is a better proposition, then I should like to comment on some remarks that were made by the hon. member for Winnipeg North Centre (Mr. Knowles). May I have your comments, sir, before proceeding?

[Mr. Churchill.]

Mr. Speaker: The question the hon. member for Winnipeg South Centre (Mr. Churchill) has raised is quite important. As I said during the debate, it is very difficult to debate the amendment without some reference to the main motion. Those may not have been my words but that is the import of what I said. During the debate the hon. member for Montmagny-L'Islet (Mr. Lesage) called my attention to the fact that hon. members were debating the main motion. At that time I pointed out it was not proper to debate the main motion. I have not objected to a reference to the main motion, but so often during the course of this debate hon. members have forgotten the amendment and have been debating the main motion. The main motion was debated at some length before the amendments were moved, and hon. members in debating the amendments were setting forth reasons not why the amendments should be carried but why the main motion should not be carried.

Hon. members should address themselves at this time to the amendment under consideration. I will not object to a reference to the main motion in order to establish why the amendment should be carried. The house must not lose sight of the fact that at the present time it is the amendment which the house must consider accepting or rejecting, not the main motion.

Mr. Churchill: Thank you, Mr. Speaker. I suggest that the amendment putting forward the proposition that the sitting should be extended two hours tonight is the course that should be followed by the house. The hon. member for Winnipeg North Centre, whose name will be forever linked with the course of this debate today, suggested that if we sat during part of the night we might perchance finish our work without too much delay. In other words, I gained the impression that he meant that perhaps if we continued from ten until two or from ten until four we might find we had completed the work on the order paper. I suggest that to sit from ten to twelve tonight plus the normal sitting hours tomorrow would accomplish the same purpose in a much more orderly fashion. That is why the amendment has been put forward and supported by so many members on this side. We are anxious to deal with the items on the order paper after at least a certain amount of rest during the night, and we are quite content to add two hours to the deliberations today.

There was one other point I had in connection with this debate, but perhaps Your Honour may not feel that I am in order in raising it. What disturbed me also was that in the course of the debate, although the Prime Minister (Mr. St. Laurent) indicated that he had no intention of taking part, nevertheless he made a statement—

Some hon. Members: Order.

Mr. Churchill: —and it is in that regard that I should like some direction as to what course the debate should now take. If statements are made—

Some hon. Members: Order.

Mr. Churchill: I am asking this in all seriousness and in order to gain instruction. If during the course of the debate hon. members make statements of any sort—

Mr. Robinson: Order.

Mr. Churchill: —that may be interpreted as having an influence on the course—

Mr. Robinson: I must rise to a point of order. Is this relevant to the discussion now before the house?

Mr. Speaker: I do not know yet what the hon. member for Winnipeg South Centre proposes to say. He has referred to something that was said earlier in the day. Certainly he would have to relate it to the amendment for it to be in order.

Mr. Churchill: I was just coming to the conclusion of that question. My point is simply that if statements are made by any hon. member in the course of the debate that have a bearing on the motion or amendment, which relate to the hours of sitting, and if that statement indicates that if the sitting is not prolonged something else is going to happen, then my question is whether we may not debate that particular statement. The statement, of course, was the reference to closure.

Mr. Speaker: I will not allow a debate on closure at this time.

Mr. Churchill: I am grateful for the direction, because that was the point I was not sure about. I shall conclude my remarks now by asking the house to support the amendment extending the hours of sitting by two hours tonight so we can come to grips with the problems ahead of us and then resume the normal procedure tomorrow after a proper night's rest, when we will be fresh and able to deal with these important matters.

Mr. H. O. White (Middlesex East): Mr. Speaker, never in the past have I taken any part in procedural arguments in the house.

Mr. Winters: This is different.

An hon. Member: Why start now?

Mr. White (Middlesex East): Do not be in a hurry. We have all winter to debate this matter if you like. Today we have seen something happen that has never occurred before in my experience.

An hon. Member: Quite true.

Mr. Speaker: Order.

Mr. Fulton: An unofficial attempt at closure by the hon. member for Winnipeg North Centre (Mr. Knowles); that is what we have seen today.

Mr. White (Middlesex East): On many occasions we have seen the hon. member for Winnipeg North Centre get up and debate procedure and defend the rights of minorities. He has taken as much time as any member in the house, and in fact I would say the time of scores of members added together. But today, when all had been said that his party wanted to say, he was quite prepared to do away with the time of all the rest of the members. That is but an indication of the line of thought of socialists throughout the world. Once they come to power by democratic means it is not very long before they throw their weight around in an autocratic manner just as we have seen today, when they thought they had a chance of grasping power and immediately proceeded to attempt it. So I support the amendment moved by the hon. member for Hamilton West (Mrs. Fairclough). I think we should get on with our work.

Some hon. Members: Hear, hear.

Mr. White (Middlesex East): I do not propose to be pushed into it by the hon. member for Winnipeg North Centre (Mr. Knowles) or anyone else.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, like the hon. member for Middlesex East (Mr. White), never before have I taken part in a procedural debate during the short time I have been a member of this House of Commons. I think hon. members will admit that I have taken up very little time in this house, but I can stand here all night if necessary. We have seen today a most peculiar set of circumstances, the most peculiar I have seen since coming to this house. At eleven o'clock this morning a motion was moved by the hon. member for Winnipeg North Centre (Mr. Knowles) in co-operation, we will say, with others. At 2.30 this afternoon they had all the opportunity in the world to make any speeches they

wanted to make because at that time the hon. member for Eglinton (Mr. Fleming) got up and made a proposition—

Some hon. Members: Order.

Mr. Charlton: I understand there is only one Speaker in the House of Commons. The hon. member, who had the backing of this party, suggested that we should go through until twelve o'clock tonight if the hon. member was willing to withdraw his motion. Nothing was said by members of the C.C.F. or the Social Credit or by those on the government benches. Nobody made any attempt to accept that offer. C.C.F. members now say they wanted to speak, but if they had really wanted to they could have accepted the offer that was made at 2.30 this afternoon. I am ready to sit down if they want to take advantage of that opportunity. Apparently they are not willing to do so. After the hon. member for Eglinton spoke this morning the Prime Minister (Mr. St. Laurent) threatened us with closure.

Some hon. Members: Order.

Mr. Charlton: I have not spoken in this debate before and I am not threatening anybody.

Mr. Sinnott: It might be just as well.

Mr. Speaker: It might be just as well if the hon. member would leave it to the Speaker.

Mr. Charlton: If some of the hon. members behind the curtains or on the back benches would get on their feet and say what they thought, we might get along better.

An hon. Member: It would be unparliamentary.

Mr. Charlton: If the Prime Minister had not made that statement this morning I think the situation would have been less heated today. The very fact that we are not allowing ourselves to be pushed around is one reason I am on my feet. If the big stick is to be wielded by the government, the only thing left for an opposition minority is to carry on the fight for its rights by any means left at its disposal.

Mr. Robinson: Mr. Speaker, I must rise again on a point of order. I want a definite ruling on the relevancy of what the hon. member is saying or I request leave to retire from the chamber.

Mr. Fraser: We will let you go.

Mr. Charlton: The interruptions are helping us out.

Mr. Gardiner: You are only killing time anyway.

Mr. Charlton: It is the principle we object to. It is that principle we are willing to fight for if we have to stay here until Christmas. If that principle were to be accepted, then I suggest seriously that any private member or any member on the government side could get up and move a similar motion and quash opposition in this House of Commons.

Mr. Speaker: Is the hon. member referring to the motion?

An hon. Member: He does not know.

Mr. Speaker: I am not clear just what the hon. member is referring to, but I would point out to him that he should direct his remarks not to the main motion or some other motion but to the amendment.

Mr. Charlton: I will admit, Mr. Speaker, that I was referring to the main motion. I am sorry; I was out of order. For the last week we have commenced our sittings each day at eleven in the morning and they have continued until one o'clock; then in the afternoon we have started at two-thirty for four days a week and continued until six fifteen, with evening sittings from eight until ten o'clock.

An hon. Member: We all know that.

An hon. Member: If you did not know it you would not be here.

Mr. Speaker: Order.

Mr. Charlton: Those members who do not have to do very much in the house find those hours comparatively easy. They are not called upon to make a study of the various bills that are before the house.

An hon. Member: Oh, oh.

Mr. Charlton: I repeat that statement.

Mr. Speaker: What that has to do with the motion, I do not know.

An hon. Member: Nobody knows.

Mr. Speaker: Either the motion or the amendment. May I ask the hon. member again to direct his remarks to the amendment.

Mr. Charlton: I think my reference to the fact that we sit from eleven o'clock in the morning until ten o'clock at night has a great deal to do with the amendment. We suggest that it would be better to have gone through until twelve o'clock tonight and thus be in a half decent condition to go ahead with legislation tomorrow. That would be much better than having to stay up all night and then continue tomorrow in a very tired state, with frayed nerves and probably frayed tempers.

With their huge majority members on the government side can have a two-hour nap at times and still have a fair number of members in the house, enough to carry on if we were to sit after twelve o'clock through to 10.30 in the morning. They are in a much better position than we are.

An hon. Member: Speak to the amendment.

Mr. Charlton: I am speaking to the amendment.

Mr. Speaker: I am not so sure.

Mr. Charlton: I appreciate your uncertainty because you probably cannot hear what I am saying.

Mr. Sinnott: We cannot understand what you are saying.

Mr. Charlton: Some hon. members would not understand it in any case. I still say that we would be in better shape to carry on the business of the house tomorrow if we were to close down at twelve o'clock tonight rather than carry on all night.

Mr. Winters: This is a demonstration of it.

Mr. Charlton: I can stand it if you can. If we do have to sit all night, I should like to see the same proportion of government members here as there is now. I intend to vote for the amendment.

Some hon. Members: Question.

Mr. G. C. Nowlan (Annapolis-Kings): This is hardly the time for the question. There was an opportunity for the question to be put on this matter early in the afternoon.

An hon. Member: When?

Mr. Nowlan: At 2.30 in the afternoon when the hon. member for Eglinton spoke. That is when there was an opportunity to settle the matter. The opportunity has been present since that time, and now I presume it is hoped the opposition may withdraw the amendment or that something else may happen. Possibly when it comes close to ten o'clock this amendment will be accepted by the house. I do not know, but perhaps then we would sit until twelve o'clock. The unfortunate thing about all this is that this time could have been saved, and the matter could have been dealt with more expeditiously earlier in the afternoon. When this motion appeared so suddenly this morning from the blue no one knew—

Mr. Knowles: I am not blue.

Mr. Adamson: From the red.

Mr. Nowlan: My hon. friend I am sure would object if I said "red", but it appeared out of the blue—

Mr. Knowles: My hon. friend's face is red.

Mr. Nowlan: I am not referring to political complexions. It is possible that there was some misunderstanding as to what was involved this morning and I think, Mr. Speaker, that suggests that possibly some consideration should be given to these rules which, as Your Honour properly ruled this morning, permit such motions without notice. Nevertheless, some consideration should be given in the future to making motions affecting hours of sitting the subject of notice, so members would know what they had to face when they came into the house. If we had known this morning all the circumstances involved in the motion, perhaps we would not have had this debate today.

An hon. Member: You have made a mistake.

Mr. Nowlan: No, there is no mistake whatever. I feel that this day will be recognized in parliamentary annals as a time when the opposition stood and insisted upon having certain rights preserved for opposition parties. In this case it is the official opposition, but it might just as easily be any of the opposition groups; and before too long it will be the present government that is sitting on this side of the house.

After all, Mr. Speaker, an extension of two hours is reasonable. I must say I think it is a tribute to members on all sides of the house that, considering the many hours of debate which have preceded this amendment, the pressure of the holiday season and so on, bad tempers have been restrained as well as they have. You, sir, have presided over this chamber for so many hours during what I know has been a long and boring debate. No matter how long or how boring it may be in detail it is important in substance, because we are preserving something here by this action which I think Speakers in the future, who occupy the chair which you now occupy, will recognize as a tribute to our parliamentary system in so far as the establishment of the rights of minorities is concerned, of whatever political complexion they may be.

You have pointed out, sir, that it is very difficult to debate the amendment as such without also trespassing upon the main resolution; the two are so interwoven. You have a motion that the hours be extended indefinitely, and an amendment which extends the hours for a certain definite period. I think even a Philadelphia or a sea lawyer would find it very hard to establish the dividing line between the two. It is difficult to discuss the amendment without in some way infringing upon the main motion.

That, of course, has been recognized by you in the rulings you have given today permitting some latitude in this debate, and in maintaining the highest possible traditions of the Speaker's office. It is something which reflects credit upon Your Honour, and also upon the House of Commons as a whole.

There can be no question of imputing motives. There may have been at one time a misunderstanding, but the whole purpose of this debate has been to preserve certain rights.

Mr. Noseworthy: The right to go to bed early.

Mr. Nowlan: Yes; as one gets older one does think about that. Certainly, as was pointed out this afternoon, it is impossible to conduct business efficiently and deal with matters of importance, not only this one bill which is before us but other important measures, in the early hours of the morning. If this amendment is lost and another amendment is adopted by the house before ten o'clock, all of which are contingencies, it is quite possible that this house will be dealing with matters of importance to the nation; and certainly that cannot be done at three o'clock, four o'clock or five o'clock in the morning. That is why I suggest that the amendment not only preserves the rights of minorities or opposition groups; it goes further and assures that there shall be ample opportunity for intelligent discussion of measures which must be dealt with by this parliament before it ultimately prorogues.

The purpose of the first amendment, which was dealt with, was to establish the rights of minorities and the opposition in the face of what seemed like an attempt to steamroller this house. The amendment which is now before us accomplishes two purposes, not only assuring the rights of minority groups but also preserving the right of debate on those matters which may come before us. As has been said, the house has been sitting for a long time. I doubt, Mr. Speaker, even when you search parliamentary records, if you will find that a motion such as this amendment is attempting to avoid was adopted when there were still so many items on the order paper. We have all sat in parliaments which have sat through a night or a night and a day to clean up the business at the end of a session when there were only certain formal matters to be discussed. But that is not the situation here. Various matters of great importance have to be dealt with, and they cannot be dealt with in the manner suggested by the motion of the member for Winnipeg North Centre (Mr. Knowles).

I should like to urge again, although I believe this amendment should have been adopted earlier in the afternoon when the opportunity was given, that there is still an opportunity to proceed in an orderly way with the discussion until midnight. Then we could adjourn and go on with other matters tomorrow. If the house does not see fit to adopt this amendment, then I suggest that opposition groups will have to preserve their rights, and something must be done to do that. I shall not trespass longer on the time of the house, sir, except to reiterate that there is still an opportunity to accept the principle which is involved in the amendment.

Some hon. Members: Question.

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to speak on this matter for a few moments because I feel that an extremely important principle is at stake. I feel that we in the opposition have a responsibility to the people whom we represent, and that it is at least as great as that of members who sit on the government benches. All we desire is to have the business of this house conducted in such a manner that we shall have ample opportunity to discuss the questions which are brought before us—and they are important ones at the present time—in a calm and reasoned fashion, under circumstances which will permit us to give them our intelligent, reasoned and unhurried attention. If that principle were recognized I feel that the business of this house would be expedited.

This afternoon I read with great interest a debate on this subject which took place in this house on March 18, 1926, when the present rules of the house were adopted. It was pointed out by many experienced politicians and statesmen of that time, including the late Mr. Lapointe, that we as a house should not sit on any occasion beyond the hour of eleven o'clock, in order that we should be in a position to give clear consideration to the important matters coming before us.

At this time, Mr. Speaker, there is still before us legislation which is of paramount importance to many people in this country. It is of great importance that the legislation about to be discussed should receive the best consideration we can give it.

We have certain responsibilities. I feel that we should not let the Christmas holidays interfere with the carrying out of our duties. I feel that we have a clear-cut duty to the people whom we represent, and that we should be willing to allow ourselves to be inconvenienced, if that is necessary, in order that the people whom we represent should be represented to the best of our ability. I

maintain that we cannot accomplish this purpose at five o'clock and six o'clock in the morning, after having sat all day. I feel that this house should not, under any circumstances, sit beyond midnight.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment. Is it the pleasure of the house to adopt the amendment?

Some hon. Members: No.

Mr. Fournier (Maisonneuve-Rosemont): Every one of the opposition said "no", Mr. Speaker. We all agree.

Mr. Speaker: Order. Does the house wish me to declare the amendment lost?

Some hon. Members: Yes.

Some hon. Members: No.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Fournier (Maisonneuve-Rosemont): They said no, but they will vote yes.

The house divided on the amendment (Mrs. Fairclough) which was negatived on the following division:

YEAS

Messrs:

Adamson	Fraser
Blair	Fulton
Browne (St. John's West)	Graydon
Casselman	Hees
Charlton	Hodgson
Churchill	Lennard
Courtemanche	Macdonnell (Greenwood)
Coyle	MacLean (Queens)
Dinsdale	McGregor
Drew	Meeker
Fairclough, Mrs.	Nowlan
Fleming	Tustin—24.

NAYS

Messrs:

Anderson	Corry
Argue	Cote (St. Jean-Iberville-Napierville)
Arsenault	Cote (Verdun-La Salle)
Balcom	Darroch
Blanchette	Dechene
Boisvert	Dion
Boivin	Dube
Boucher	Dumas
Breton	Eyre
Brisson	Follwell
Bruneau	Fournier (Hull)
Bryce	Fournier (Maisonneuve-Rosemont)
Cameron	Garland
Cauchon	Garson
Claxton	Gauthier (Portneuf)
Cleaver	Gibson
Cloutier	Gingras
Coldwell	Gour (Russell)
Conacher	Harris Grey-Bruce)
Healy	Helme
Henry	Herridge
Hosking	Hunter
James	Jones
Jutras	Kirk (Digby-Yarmouth)
Knowles	LaCroix
Lafontaine	Laing
Langlois (Gaspe)	Leduc
Lesage	Low
Macdonald (Edmonton East)	MacKenzie
MacNaught	Macnaughton
McCann	McCusker
McDonald (Parry Sound-Muskoka)	McIlraith
McLean (Huron-Perth)	Major
Maltais	Masse
Monette	Mutch
Noseworthy	Pearson
Proudfoot	Prudham
Riley	Rinfret
Roberge	Robinson
Rooney	Rousseau
Sinclair	Sinnott
Stuart (Charlotte)	Studer
Tremblay	Ward
Warren	Whiteside
Whitman	Winters
Wood—91.	

Mr. Cardiff: Mr. Speaker, I was paired. Had I voted, I would have voted for the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted for the amendment.

On a question of privilege, I want to say that in a previous vote this day I voted on the understanding that the Prime Minister (Mr. St. Laurent) had declared that members were free to vote as they pleased. I did not feel that that statement applied to subsequent amendments, and so tonight I have announced my pair.

Mr. Catherwood: I was paired with the hon. member for Kent, Ont. (Mr. Huffman). Had I voted, I would have voted for the amendment.

Mr. Drew: Mr. Speaker, before the debate proceeds I would ask you to rule as to whether the motion before you is now in order. If you consider the motion you will see that it is no longer operative in relation to the statement contained in it.

Mr. Speaker: The leader of the opposition has asked me to rule on whether the motion is now in order, because some time has elapsed since it was introduced. He says it is inoperative. It is not wholly inoperative. I think that is the point. The hon. member will recall that the motion was allowed to stand after the noon recess, when part of it was inoperative. Now, because still another part is inoperative I do not think I should rule it out of order. I will allow the motion to stand.

Business of the House

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I think it is essential to consider what stage we are at in this procedure today. We have had presented to us in the main motion a suggestion that the house continue in continuous sitting until the order paper has been cleared, and then the suggestion that if the order paper is not cleared by Friday night the house shall reassemble on December 27 for the conclusion of business.

I have already protested against the situation that will prevail under those circumstances, whereby hon. members from more distant regions of Canada, if they perform their parliamentary duties, will be compelled to return to this place if the business is not completed on Friday, and either miss entirely that assembly at home that has become established in the customs of our country, the family gathering at Christmastime, or else, sir, have to leave on Christmas day to return to this city. I think if that proposal is carried out a really grave injustice will have been done.

Mr. Speaker: The hon. member I think is addressing himself to the motion on the order paper, which is not now before the house.

Mr. Churchill: Well, there is a close linkage between the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) and the statements made in the course of the debate on that motion.

Mr. Speaker: I cannot allow debate on a question which is on the order paper for tomorrow regarding the adjournment of the house.

Mr. Churchill: The motion as it stands is aimed at keeping this house in continuous session until the completion of business. We have pointed out that in our opinion this is a rather harsh treatment of the minority groups in the house. It compels them to continue without rest or relaxation, and suggests that matters which have not yet been debated will have to be considered on very short notice and under rather difficult conditions.

I believe an unusual record has been established at this session of parliament in extending it already beyond December 18, which has been normally the time for discontinuance on other occasions when parliament has assembled in the fall of the year. Looking at the various journals of the house I have noticed throughout that on occasions when parliament did meet in the fall the 18th or at the latest the 19th of December was the time when members were permitted to return to their homes.

[Mr. Speaker.]

Now, after strenuous days of sitting, either in committee or here in the house, mornings, afternoons and evenings, we are called upon by the motion to continue throughout the night. There have been occasions in the past when that procedure met with approval. I think a more orderly arrangement of business is desirable, and that it should be possible to complete the normal business of parliament without having to resort to all-night sessions. If some catastrophe occurred in this country, or if a state of national emergency existed, I would be the last one to object. But under present circumstances I find I cannot support this motion at all.

The hon. member who has moved the motion suggests we would have ample opportunity to discuss any of the matters brought before us. But I suggest that under those circumstances, on any occasion when parliament is in session, someone could come forward with a similar motion and say, "Let us keep on without ceasing, and we might be able to conclude the business of the session in about seven days." The holding of night sittings is one recognized way of wearing down an opposition. It may have been the hope of some hon. members in the house that the opposition would be worn down on this occasion, and that various measures would be passed through without debate.

I think surely for the first time in Canada's history we have had placed before us the suggestion that in order to get home for Christmas we must have all-night sittings of the house to wind up the business, and the suggestion put before hon. members that if that is not done they will not enjoy the Christmas season with their families. I confess that I have been seriously disappointed on this occasion. I anticipated being home long ere this, and having the opportunity to make preparations for the Christmas season. It has been a disappointment to me and to many other hon. members that this has not been possible. But when there is a principle at stake, as there is in this instance, members of the official opposition are prepared to stand their ground and establish the right of members on the opposition side of the house to speak their minds and discuss to the full measures before the house, presenting in this fashion the opinions of their constituents.

This is the only place that can be done. The hon. member for Waterloo South (Mr. Meeker) remarked to me this afternoon that, despite this long and drawn-out debate, despite the peculiar conditions that have prevailed during the last day or two, it really is a remarkable and very fine thing that in

this country we can speak our minds with freedom. It is a privilege well worth maintaining.

During the course of my life I have had a profound respect for the institution of parliament. That is why, although new to this chamber, I have taken some part in the deliberations on this particular point. In any instance where there appears to me to be a limitation of the rights of private members, I hope I will be able to say something about it. The institution of parliament is too important to our country and to the British commonwealth to be lightly regarded.

On this particular occasion it has appeared to us—certainly it has to me—that some of the rights and privileges of private members have been in danger of being curtailed. I would much prefer that the well established rules of procedure of the House of Commons be followed without any such serious alterations as that suggested by the motion before us. This is an institution which at times has come in for considerable criticism by people outside. Alternative methods of government have been proposed elsewhere in the world. They have attracted the attention of some people, but I for one am thankful that I can hold fast to the parliamentary institution we have devised, with the rights of private members, and maintain unimpaired the privileges of members of parliament. If it were not for the fact that the privileges of members of parliament are in danger now of being curtailed I would not be participating in this debate. If this is to become a precedent for the future I think the time to oppose it is right now.

We had a first class suggestion that any similar attempt to alter the rules of the house should require adequate notice. If we had been given adequate notice of this particular proposal perhaps some compromise could have been worked out, or saner counsel might have prevailed. When from time to time the rules of the house are under consideration for alteration or change that is one thing that certainly should be taken into account. In view of the fact that the amendment which was proposed earlier was not acceptable to the house, and in view of the lateness of the hour, I propose the following amendment. I move, seconded by the hon. member for Middlesex East (Mr. White):

That the motion be amended by striking out all the words after "That" and substituting the following:

"for this day's sitting the house shall after the dinner recess sit from 8 p.m. to 10.30 p.m."

Mr. McIlraith: How ridiculous can you get?

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, like the hon. member for Winnipeg South Centre (Mr. Churchill) who has just spoken, I am very thankful at this hour of the day and under these circumstances for the protection of the rules of the house.

Mr. McIlraith: Protection of the rules?

Mr. Pearson: Abuse of the rules.

Mr. Dinsdale: I am thankful to have the privilege of living in a democracy, because judging from the comments coming from members on the opposite side of the house just at about this stage of the proceedings we on this side would be eaten alive if it were not for the protection which is provided.

Mr. Mutch: Pretty indigestible.

Mr. Pearson: Tough.

Mr. Dinsdale: I admit it would be a bad case of indigestion.

Mr. Mutch: The word is "licence".

Mr. Dinsdale: Obviously the grand strategy of leaving several important pieces of legislation until the final week of the session, which has led up to the situation we face, was devised with the intention of avoiding the necessity of detailed debate. I imagine it was anticipated that members of the opposition would fold their tents like the Arabs and silently steal away. It must be a considerable disappointment to government members who hoped to deal with this legislation without having it given the attention it deserves. It seems to me that we might just as well have government by order in council if we are not going to be allowed full opportunity—

Mr. Deputy Speaker: Order. I do not like to interrupt the hon. member, but now that we have an amendment his remarks must relate to it and not to the main motion. There is an amendment before the house, and for the hon. member to be in order he must relate his remarks only to the amendment.

Mr. Sinnott: He wouldn't know. He is too young.

Mr. Dinsdale: I apologize if I have wandered from the amendment, but I was under the impression that in order to discuss the amendment it was necessary to deal with the major motion before us.

An hon. Member: You will know better now.

Mr. Dinsdale: We shall proceed to the discussion of the amendment that has just been introduced by the hon. member for Winnipeg South Centre (Mr. Churchill). He has proposed that we extend the sitting for the present day to the hour of 10.30 p.m. In view of the nature of today's discussion and the attempt to rush proceedings in order to meet the Christmas

deadline, I heartily concur in the amendment. I do so because, as I have said previously in the discussion, there is a principle at stake. The only opportunity the minority has to indicate its wishes, intentions and desires is through the right of parliamentary discussion. I think the only solution for the present situation is to accept the amendment submitted by the hon. member for Winnipeg South Centre. Therefore I intend to vote for the amendment in the hope of thus being able to register a protest against the tactics that have been pursued in the house. This is the first time I have experienced them, but I understand they have been pursued on other occasions. In thus registering my protest I trust it will end once and for all the practice of railroading legislation, the practice of steamrollering legislation, and will provide for the logical and reasonable discussion required on the very important matters still remaining on the agenda.

Mr. Lesage: Mr. Speaker, I wish to draw your attention to citation 405 in Beauchesne's second edition, which reads as follows:

> The Speaker may refuse to propose an amendment which is in his opinion frivolous.

The amendment proposed by the hon. member for Winnipeg South Centre—

Mr. Drew: Mr. Speaker, may I ask what the hon. member is—

Some hon. Members: He is on a point of order.

Mr. Lesage: The amendment proposed by the hon. member for Winnipeg South Centre was presented at ten minutes past nine. The normal closing hour is ten o'clock. After the childish delaying tactics that have been used by the opposition all day it is obvious that the amendment proposed by the hon. member for Winnipeg South Centre not only is frivolous but has as its only aim to have us waste our time and the money of the people of Canada.

Mr. Drew: Mr. Speaker, this is a very late hour in the day for the hon. member to have discovered that the people of Canada are losing money because of the action of this government and those who support it. I would point out that we did not introduce the original motion.

Mr. Deputy Speaker: I would ask the hon. member to speak on the point of order.

Mr. Drew: I am speaking to the point raised by the member who has just sat down. That hon. member raised a question to which Your Honour took no exception, that you should bear in mind that public money was being wasted. I propose to direct my attention to that remark for a few minutes. You have not ruled him out of order so I submit that that stands as a matter before the house and I propose to deal with it.

Mr. Lesage: On a question of privilege, I withdraw my remark that the opposition has been wasting the money of the public.

Mr. Drew: I am speaking on the point of order. I have this much respect for the views of the hon. member; I assumed that he was being serious. Perhaps I was wrong, but I assumed he was being serious and, therefore, that when he spoke of money that had been wasted by the discussion here he was placing that before you in support of his contention that this motion was frivolous. Otherwise it was a most frivolous comment and one that was entirely inexcusable under the circumstances.

The hon. member has raised the question of the waste of public money. May I remind you that the motion that caused this debate was introduced not by us but by the hon. member for Winnipeg North Centre. It was received with immediate and solid acclaim by the members of the Liberal party. In spite of the opportunities which have been presented to proceed with the business of the house—

Mr. McIlraith: Let us vote.

Mr. Drew: I wish you would hear what I am saying, Mr. Speaker.

Mr. Deputy Speaker: I hear you very well.

Mr. Drew: I do not wish you to be in any difficulty in that respect, and for that reason I shall pause if I feel there may be any difficulty in your hearing. The situation is simply that we urged early in the day that this motion be abandoned so we could get ahead with the business of the house which dealt with the money of the people of Canada—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Drew: —which dealt with the money and the general interests of the people of this country. Later, so there could be no doubt about our position, we stated clearly that we wished the house to sit until twelve o'clock. Had that proposal been accepted—

Mr. Garson: On a point of order, I wonder if the leader of the opposition would inform us whether he is speaking to the point of order or in the debate.

An hon. Member: Filibuster.

Mr. Drew: Mr. Speaker, the minister of make-believe knows—

Mr. Garson: I think what my hon. friend is doing is leading his party into another Newfoundland fiasco.

Mr. Deputy Speaker: It is very difficult for me because there are two points of order before the house. Am I to understand that the leader of the opposition is speaking on the first point of order?

Mr. Drew: In view of the fact that the minister of make-believe was—

Some hon. Members: Order.

Mr. Garson: I rise to a point of order and suggest that when my hon. friend refers to the minister of make-believe he is not using a proper parliamentary term and should withdraw.

Some hon. Members: Withdraw.

Mr. Drew: Mr. Speaker, I think that was one of the most generous expressions that have been used. May I point out that it was used by one of the members of the Liberal party. I would point out that the Minister of Justice took no—

Mr. Garson: I would like a ruling on the point of order.

Mr. Drew: I shall not give way until I have finished the sentence at any rate.

Some hon. Members: Withdraw.

Mr. Drew: I would point out—

An hon. Member: Name him.

An hon. Member: Who is running the house?

Mr. Drew: Mr. Speaker, I hope you heard the suggestion that you should name me. Not only do they want to wield a club over our procedure, they want to deny speech to hon. members of this house. I would point out that the term I employed was a term which I understood to be one of affection used by one of the Liberal members. I must say that it is an infinitely more generous term than could have been used in reference to a minister who broke the law which he is now seeking to have amended in this house. I return to the subject I was discussing when he interrupted.

Mr. Stuart (Charlotte): I believe the statement made by the leader of the opposition should be withdrawn, and it should be withdrawn now without any more discussion.

Mr. Fulton: On the point of order, may I point out that the expression—

Mr. Deputy Speaker: We have two points of order before the house.

Mr. Fulton: I was intending to deal with the most recently raised point. Am I correct in doing so?

Mr. Deputy Speaker: The first one.

Mr. Fulton: As to whether or not the motion is in order.

Mr. Deputy Speaker: It seems to me that the expression used by the leader of the opposition is not very courteous. I think it would be better not to use those expressions.

Mr. Drew: I am proceeding now to deal with the statement that was made in regard to money that had been wasted. In dealing with that—

Some hon. Members: Withdraw.

Mr. Sinclair: I also would like to rise on this point of order. The expression "minister of make-believe" is almost as offensive as though I were to call the leader of the opposition "a pompous jackass leading a bunch of filibusters." It is obviously true, nevertheless I would not use an expression like that about him in this house no matter what I thought about it. I think in fairness to the house the hon. member should withdraw his offensive expression "the minister of make-believe".

Mr. Drew: Had that remark come from anyone else but the member for Coast-Capilano I might have taken some notice, but in view of the fact that it came from a member who has so completely discredited himself in this debate I will not even bother paying any attention to it at this time. I was dealing with the subject of the cost of the proceedings to the taxpayer, and the point raised by the hon. member who spoke on that subject.

Mr. Garson: On the point of order; if I am not mistaken, what is now before the house is the point of order raised by the hon. member for Montmagny-L'Islet to the effect that the amendment now before the house is frivolous. That is the matter now before the house; and if the leader of the opposition is talking intelligently about anything at all he must be addressing himself to that point of order.

Mr. Drew: Mr. Speaker, I do not expect the minister to whom I have referred to follow the debate closely because he never does. I am dealing with the point that was raised by the member who spoke about the amount of money that was being wasted. I was pointing out, when I was interrupted from several quarters, that the motion before the house is one that was introduced by the member for Winnipeg North Centre.

Mr. Garson: I must again rise on the point of order. I submit that the matter which is before the house at the present time is the point of order that the amendment is frivolous. I think we are entitled to have that ruled upon before we proceed to the next matter.

Mr. Deputy Speaker: The point of order raised by the member for Montmagny-L'islet (Mr. Lesage) is that the amendment before the house is a frivolous one. I am ready to hear the leader of the opposition (Mr. Drew) on that point.

Mr. Drew: You see, Mr. Speaker, it would help a great deal if I were able to finish a single sentence, because that is exactly what I am dealing with. I was assuming, and perhaps wrongly, that the hon. member who raised the question about public money being wasted was speaking seriously, and was raising that in relation to his point of order that this was a frivolous motion. There was, of course, no other possible reason for him to raise it. If he will permit me to continue, and will follow the sequence, I would point out—

Mr. Warren: You cannot continue all night.

Mr. Drew: I was simply pointing out that the motion introduced by the member for Winnipeg North Centre (Mr. Knowles), and which has been before us all day, is one that could have been disposed of long ago.

Some hon. Members: Oh, oh.

Mr. Drew: I do want you to hear me, Mr. Speaker. We have been dealing not simply with a question as to whether we would discuss one measure or another, but whether or not this house was going to sit all night and consequently not only be unable to do a job tonight but unable to do the work of this house tomorrow. That has been the real issue before the members of this house.

Mr. Warren: Why?

Mr. Drew: May I in courtesy answer the question of the hon. member? I shall explain to the hon. member, since he asked me, that the reason is that there was a motion introduced by the member for Winnipeg North Centre this morning, and there was an amendment introduced in relation to that motion. The motion was under discussion until early this afternoon—

Mr. Warren: Yes, all day.

Mr. Drew: I wish to explain to the hon. member, and give him an answer to his question.

Mr. Deputy Speaker: Order. I will hear the leader of the opposition on the point of order.

Mr. Drew: I should like to finish my explanation to the hon. member in answer to his question. I shall just finish by saying that this afternoon, at a time when the hon. member was not here, there was another amendment introduced upon which a vote has recently been taken. That brings him up to date, except that the motion which has just been made introduced a further amendment.

Mr. Warren: I was here.

Mr. Drew: I am very happy to know that. Therefore we have brought the hon. member up to date on the proceedings.

When we come to the question of whether or not the motion is frivolous, may I suggest that this is a very late hour in the day to suggest that this amendment is frivolous.

Mr. Warren: It is not late.

Mr. Drew: I do regret that you are having so much difficulty in hearing this discussion. I shall wait until you are able to hear me without interruption. We have all day been discussing the original motion, and motions by way of amendment, which had to do with the time during which this house should sit today. Unless all the motions by way of amendment were frivolous, and that point has not been raised up to this time, then this motion must certainly not be frivolous. I say that because the substance of the motion is precisely the same, and there is simply a difference in time. The opposition is making an effort to co-operate with the government and find an hour that is agreeable to them. We are making that effort by a process of trial and error, or shall we say trial and refusal.

We now have before the house a suggestion that we should not, in view of the fact that we are approaching so close to the hour of ten o'clock, close off sharply at ten o'clock, but we should extend the time for another half hour. If members will accept this motion now, then they will have an opportunity to pave the way for an orderly discussion of the business which is coming before the house tomorrow. I suggest that unless any motion by way of amendment to set a time for the sitting of this house is regarded as frivolous, then this cannot be frivolous because the only difference between this and any other motion is that we have in our constant efforts to meet the wishes of the government—

Some hon. Members: Oh, oh.

Mr. Drew: —introduced a new time in the motion, in the hope that the members would give it their approval.

Mr. Garson: Mr. Speaker, if I may address just a few words to this point of order, I would point out that there was an amendment to the motion moved by the member for Winnipeg North Centre (Mr. Knowles) to the effect that this house should sit until 10.15. After debate on it at great length by a number of speakers from the official opposition, it was voted upon and defeated. The motion is now moved to add another fifteen minutes to the time which has already been defeated, and I suggest that under those circumstances this amendment is frivolous.

Mr. Knowles: Perhaps the Minister of Justice will not mind if I say a word to correct what he said about the amendment moved by the member for Annapolis-Kings (Mr. Nowlan). The minister was right as to the total number of minutes that amendment added to the normal day's sitting, but that amendment proposed to add fifteen minutes at 6.15 rather than at ten o'clock at night.

The Minister of Justice has drawn attention to the real point of this amendment, namely that it proposes something which, in principle, the house has already turned down; that is, a short extension of today's sitting. I draw your attention not only to citation 405 which the member for Montmagny-L'Islet quoted, but to citation 413 which reads:

> No amendment shall call in question a principle on which the house has given a decision by a vote on a former amendment.

By its vote earlier today the house turned down the usefulness of a fifteen-minute extension. The house has also turned down the usefulness of a two-hour extension. To come along now and propose an extension by half an hour seems to me, whether it is frivolous or not, certainly to call in question a principle upon which the house has already given a decision.

Mr. Deputy Speaker: I shall give a ruling on the point of order. I must say that many things came before the house which, in my opinion, were fairly frivolous. In my view the amendment is not any worse than many of the other things that came before the house. At this stage of the debate I think it is preferable to allow the amendment to stay before the house.

Mr. Fulton: What was your ruling, Mr. Speaker? We could not hear it.

Mr. Deputy Speaker: The amendment stays before the house.

Mr. Fulton: You mean that it is in order? Thank you.

Mr. Drew: Mr. Speaker, I was dealing with the question of the motion before the house. While this extension may not be as great as some hon. members would wish, I would point out that if there is any indication from the government—and of course I am dealing with this as a government motion because we know that it is—that they are prepared to support this motion, then we will have three-quarters of an hour in which to dispose of certain details.

Mr. Cleaver: After wasting the whole day.

Mr. Lesage: That shows how serious you are.

Mr. McIlraith: Keep your tongue out of your cheek when you talk in that way.

Some hon. Members: Steamroller.

Mr. Fulton: How about some of these unparliamentary expressions, Mr. Speaker?

Mr. Stuart (Charlotte): To make it possible to carry on until 10.30 would this motion have to be voted on before ten o'clock?

Mr. Drew: Yes. To answer that question, I have indicated that if the leader of the house will say that he is prepared to support this amendment, then of course we can proceed with the business of the house until 10.30.

Mr. Stuart (Charlotte): He cannot speak for all the house.

Mr. Maltais: He cannot speak for me.

Mr. Fournier (Maisonneuve-Rosemont): He can speak for himself but not for me.

Mr. Drew: At this hour of the night and at this stage of the session—

Mr. Warren: What is wrong with this hour of the night?

Mr. Drew: Mr. Speaker, I wish to answer the hon. member's question. There is nothing wrong with this hour of the night. As a matter of fact it is a splendid hour of the night. We have been trying to suggest all day that this is a good hour of the night.

Mr. Warren: Yes; that is right.

Mr. Drew: We have been trying to suggest that we would do our business much better if we recognized that fact.

Mr. Warren: We do.

Mr. Drew: Mr. Chairman, at this hour of the night I am glad I have found one convert. I am at least pleased that my arguments have borne that much fruit anyway.

Some hon. Members: Question.

An hon. Member: Louder.

Mr. Warren: Question.

Mr. Drew: Oh, no. I wish the Speaker to have an opportunity to hear what is being said.

Mr. Warren: Time.

Some hon. Members: Order.

Mr. Drew: Mr. Speaker, I was just pointing out to the hon. member who has come to the same conclusion that we have—

Mr. Fournier (Maisonneuve-Rosemont): You know why.

Mr. Drew: Yes, I know why.

Mr. Gauthier (Portneuf): Quite a success. That is a victory.

Mr. Drew: As a result of the extended deliberations of the committee which was set up to consider the hours of business of this house, it was agreed by the members that ten o'clock was the time at which this house could best conclude its activities in the interests of the public business and in the interests of the members themselves. This matter of late sittings is no new subject. I should therefore like to recall that this subject has been under discussion in this house on a great many occasions in the past.

Mr. Warren: Do not bother. We know that.

Mr. Sinclair: There is your convert.

Mr. Drew: My hon. friend should realize that he is so completely converted that he needs no more assistance.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Warren: Don't bother about that.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, I am seeking further converts now. I wish to read into the record what was said in this house on June 1, 1926, in regard to this question of late sittings, by the then hon. member for Macleod. It is recorded at page 3918 of *Hansard* of that year. He had this to say:

> I see no reason why a body of sensible and reasonable men could not devise rules under which we would not need to sit both night and day.
>
> I have read lately with much interest a speech which was delivered in this house in the year 1907. I would like to present to the house, and I will guarantee not to take more than a few minutes, a few of the statements made on that occasion by Mr. Wright, the then member for South Renfrew—

Not North Renfrew.

> —because they deal with this particular question and they seem to me to be very pertinent.
>
> Mr. Wright on that occasion called attention to the long hours that had to be put in and the arduous work that a private member had to do if he took his duties seriously, as I think every member of parliament should. I know personally of one member of this house, who was at work yesterday morning at twenty minutes to nine. That member was still here last night at midnight, and was then asked to vote on a motion to adjourn the debate. Any member who voted against that motion was liable to the censure of a large number of the members of this house. That member had to be here again this morning to attend to his correspondence, then he had to attend a certain committee at 10.30, stay there until one o'clock, then rush out and get his lunch, and get back to this chamber at three o'clock this afternoon, and possibly he will be required to stay here until midnight again tonight. I ask the house and the government if that is a sensible way to carry on the business of this country. If these remarks apply to the private member, they apply with even greater force to the Prime Minister and to the members of the government. What chance have these men to get a decent night's sleep under such conditions?

Mr. Speaker, that question has been asked over and over again. What chance has anyone to get a decent night's sleep if irregular hours are called for, and what chance has any member to do the business of this house the following day in a manner which indicates that he is able to devote to that subject the attention which it deserves?

This again is a subject which has been dealt with at Westminster as well. In an excellent publication which has just appeared within the past few weeks, entitled "The House of Commons at Work" by Eric Taylor, I find this reference to long hours of siting:

> It used to be the case—

Mr. Cleaver: Mr. Speaker, I rise on a point of order. Might I ask your ruling as to whether the leader of the opposition is speaking to the amendment?

Mr. Fraser: Certainly he is speaking to the amendment.

Mr. Speaker: I must admit I have not heard all that has been said by the leader of the opposition, as I just came to the chair a couple of minutes ago. From what I heard it did occur to me that he is speaking more on hours generally. He is referring to late sittings, and the amendment before the house is merely for an additional half hour. Under the circumstances I do not think that could be considered a late sitting.

Mr. Drew: That is exactly the point, Mr. Speaker. I am supporting my argument that it is not wise to go beyond 10.30, in view of the position this debate has now reached, and I am calling to my support arguments that have been made in regard to that very matter.

Mr. Cleaver: On the point of order, Mr. Speaker, I understood the leader of the opposition to say that he was talking against and citing references and authorities in opposition to the main motion. The amendment he is supporting is that we should adjourn at 10.30.

Mr. Drew: That is quite right. We have been pointing out that it does relate to 10.30, Mr. Speaker. In view of the fact that our earlier efforts to find an hour that was suitable to the government did not meet with success, we are putting forward an hour that perhaps might meet with greater success, and I am bringing to my support responsible writers on parliamentary procedure to indicate that perhaps it is better to fix the maximum hour as 10.30 in the hope that the government, since they would not accept our earlier amendment, may accept this one.

Mr. Cleaver: Let us vote and find out.

Mr. Drew: I will read this:

> It used to be the case, until 1888, that the house sat on until members were too tired to talk any more.

Some hon. Members: Oh, oh.

Mr. Drew: I continue:

> There was always a danger of some grossly healthy individuals arriving as fresh as paint about 10 o'clock, and keeping other members who had borne the burden and heat of the day out of bed until the small hours. Many a man has found his constitution seriously impaired by the strain of assiduous attendance until late hours. "Here I am again," writes Macaulay to his sister in 1831, "sitting up in the House of Commons until three o'clock five days in the week, and getting indigestion at great dinners the remaining two." Some famous statesmen seemed to be especially constituted for this sort of life: Palmerston, for instance, who was quite as fresh at three o'clock in the morning as at three o'clock in the afternoon; Sir Robert Peel, whose capacity for endurance must have been prodigious, and Gladstone, whose habit of keeping the house into the early hours of the morning roused members to constant fury.

Then there is a further discussion of certain of the rules. If I may, I should like to read one sentence more:

> The survivors were limp and sleepy, and even the higher officials seemed in a state of abject misery.

Mr. Speaker: May I just comment on the point made. I do think that the extract the leader of the opposition read refers more to the main motion than to the amendment, as a reason why the main motion should not be adopted. May I ask him to direct his remarks to the amendment and endeavour to establish why the amendment should be adopted.

Mr. Drew: Mr. Speaker, I have put on record certain views which it seemed to me were indicative of reasons why the amendment is necessary; and after all, in order to demonstrate why an amendment which would prevent our sitting all night is necessary, it does seem to be desirable to bring forward arguments which support that proposition. The reason this amendment is before the house is that we have not yet succeeded in our earlier attempts at finding an hour that was satisfactory to the government.

Mr. Cleaver: You are only fooling yourself when you talk that way.

Mr. Lesage: That is easy.

Mr. Speaker: Order.

Mr. Drew: I prefer to accept statements of a minister of the crown as to what the position of the government is in regard to this matter, and I had been hoping that perhaps the leader of the house might have indicated some willingness to deal with it.

Mr. Gardiner: He has not had a chance.

Mr. Drew: However, he has not done so. I am afraid my time is limited to put forward all the views that I should have liked to mention on this amendment.

Mr. Cleaver: Read some more magazines.

Mr. Drew: But I do want to say this, Mr. Speaker. No amendment that has been put forward today, and certainly not this motion by way of amendment, has been put forward in any frivolous manner.

Some hon. Members: Oh, oh.

Mr. Drew: If I have met—

Mr. Garson: To what a level the grand old Tory party has sunk.

Mr. Drew: If I have met laughter with laughter it is simply because it seemed desirable to treat the levity of the government in that way instead of treating it with the anger that those who believe in the responsibilities of parliament should express in regard to conduct of this kind. What this amendment was directed to was to attempt to destroy the opportunity for debate by forcing hon. members to sit all night and until tomorrow, at a time when there is important business before the house.

Mr. Knowles: It is entirely against the rules of order to impute motives other than those stated by the person concerned. That was not the motive of the motion I moved at eleven o'clock this morning.

Mr. Drew: Mr. Speaker, —

Mr. Stuart (Charlotte): Ten o'clock.

Some hon. Members: Ten o'clock.

Mr. Speaker: Order. I am able to see the o'clock.

Mr. Drew: After all, Mr. Speaker, I am simply indicating quite clearly what the obvious effect of the motion is, and I hope what has happened today will convince this government that the opposition has rights and that they are not going to submit to the big stick. However, I ask you to call it ten o'clock.

Mr. Speaker: Order. It being ten o'clock I propose to adjourn this house.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): I do not think this would be the time to come to some agreement, so I had better announce the business of the house for tomorrow. I hope that tomorrow everybody will be in a very good mood and we can proceed with the business of the house.

Mr. Macdonnell (Greenwood): We will.

Mr. Fournier (Hull): I know the hon. gentlemen will co-operate tomorrow perhaps more than today. There are two government notices of motion: one by the Secretary of State for External Affairs and one by the Prime Minister. We will not proceed with the motion in the name of the Secretary of State for External Affairs before dealing with Bill No. 36 to amend the Combines Investigation Act, but after that tomorrow we will take up that resolution, and then we will take up Bill No. 15, also concerning external affairs, and Bill No. 23, to amend the Government Annuities Act; the resolution in the name of the Minister of Agriculture; and if time were left, we would take up the amendment to the Public Works Act. I have not said a word during the debate today because I did not see that I could be of any help, but tomorrow anything I can do to help the house come to some agreement to pass legislation—well, I am at your disposal.

Mr. Adamson: Talk to the hon. member for Winnipeg North Centre (Mr. Knowles).

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Friday, December 21, 1951

The house met at eleven o'clock.

PRIVILEGE

REFERENCE TO REMARK IN DEBATE OF LEADER OF THE OPPOSITION

Mr. J. M. Dechene (Athabaska): Mr. Speaker, I rise on a question of privilege. I do not very often take up the time of the house. May I remind hon. members that I have not taken one minute during this session. Yesterday afternoon perhaps I was somewhat out of order when, good-naturedly and in the spirit of Christmas at this time of the year when we are again preparing to celebrate the anniversary of the Prince of Peace, I interjected, when the leader of the opposition was speaking, the words "Merry Christmas". If I did wrong I am willing to apologize but I do not think I did, and I do not think I deserved the answer made by the hon. gentleman. I have last night's Ottawa *Journal* which carries this report as to what the leader of the opposition replied:

> "I am glad to see one of the members has anticipated the season," said Mr. Drew.

Such an insinuation was not deserved by me from that or any other corner of the house. I remind the hon. gentleman that those who live in glass houses should not throw stones. But this matter goes further.

Some hon. Members: Order.

Mr. Dechene: I wish to take just a few minutes, Mr. Speaker. The hon. members who are calling order have wasted hours and hours during this session and I have not. I am getting to be an aged man. I have been in public life for fifty years. I was elected a member of the Alberta legislature over thirty years ago, and I can boast that the reputation I left there is a good one. So far as the electors of the constituency of Athabaska are concerned, an unjust, unfair and uncalled-for insinuation of that kind will not do me any harm because I am too well known. It will only mean that the hon. gentleman's party will lose the few votes they had in that constituency. I am entitled to say that. I have some justice coming to me in this house as well as the hon. gentleman. I can trace my ancestry back to 1764.

Mr. Drew: Mr. Speaker,—

Mr. Fraser: There is a limit.

Mr. Speaker: Probably the hon. member has gone far enough.

Mr. Dechene: I have a family to defend and a reputation to protect.

Mr. Speaker: I do not think the hon. member's reputation has been attacked in this house. I have given him considerable latitude. Probably he might conclude with a few remarks.

Mr. Dechene: I was only going to make a few more remarks. Ever since 1774 and the passing of the Quebec Act both sides of my family have been represented in the House of Commons or in the legislature either of Quebec or of Alberta. I am proud of that; and we will not stop there. That is why I felt I had to raise this matter and deny the insinuation.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I must confess that I am wholly unable to understand what the hon. member for Athabaska is speaking about. It will be recalled that during the debate yesterday, at a time when I was speaking and when we were discussing matters before the house, there was a very loud and clear interjection, "Merry Christmas, Merry Christmas". I said I was very pleased to note that one hon. member was anticipating the season. I think a great many hon. members have indicated clearly that they are anticipating it. It was in that sense I meant my remark, and if the hon. member has taken any other meaning I am sure he has taken a meaning that was not the proper or correct interpretation of the words.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, today is another day, and I am sure we were all glad this morning when we got up to see that the blustery weather of yesterday had subsided. I thank the leader of the opposition for the remarks he has made about the hon. member who raised a question of privilege. I am sure all hon. members understood the remark of the leader of the opposition in the sense he has indicated and not as disparaging in any way, because I know that all members hold the hon. member for Athabaska in high regard and recognize that he deserves our respect and friendship.

Business of the House

BUSINESS OF THE HOUSE

MOTION FOR ADJOURNMENT UNTIL THURSDAY, DECEMBER 27

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, yesterday I indicated in reply to an observation from the other side of the house that if it should prove necessary for hon. members to return after Christmas to complete the business of the session I would give notice today that the government would move to apply closure in respect of the second reading of Bill No. 36. That statement was made on the assumption that both yesterday and today would have been taken up with the debate on second reading of that bill, and it would have been made rather clear that repetitious debate might go on indefinitely under the ordinary rules. As a matter of fact the bill was not debated yesterday, and the government wishes it to be abundantly clear that no member is to be deprived of his right to make his position quite clear on that bill. I will therefore not give any such notice today, and I hope that the progress that may be made under the ordinary rules will be such that it will not be appropriate to give that notice at any time.

With respect to the notice of motion that has been on the order paper, that was not put on in any arbitrary spirit but merely because I felt that, if it should become clear that we could not finish the business of the house before Christmas, hon. members would wish to have at least a long week end for Christmas, and that would require a derogation from the orders that have been made. When notices of motion are called, if it were satisfactory to the house, I would ask to have this motion stand until some time later today so that we could see then whether or not it will be appropriate to have it discussed. If, on the other hand, members prefer to have it dealt with immediately, I would of course move it in its regular order. But if it could stand until some time later today, it may be that we shall then see what would best suit the convenience of hon. members, because it is not the wish of the government to be arbitrary in this respect.

On the order:

Government notice of motion—The Prime Minister —Resolved, that notwithstanding any other previous order of this house, when this house adjourns on Friday, December 21, 1951, unless it be otherwise ordered at that time, it stand adjourned until Thursday, December 27, 1951, at eleven o'clock a.m.

Right Hon. L. S. St. Laurent (Prime Minister): Stand until later this day, if that is agreeable.

Some hon. Members: Agreed.

[Mr. St. Laurent.]

TRADE

DUMPING OF TEXTILES ON CANADIAN MARKET

On the orders of the day:

Mr. J. A. Charlton (Brant-Wentworth): I should like to direct a question to the Minister of Trade and Commerce. Is the minister aware that nylons and textiles are being dumped on the Canadian market to the detriment of thousands of Canadian workers? Are any effective measures being taken to relieve this serious unemployment situation.

Right Hon. C. D. Howe (Minister of Trade and Commerce): If it is true, Mr. Speaker, that textiles are being dumped, the recourse is to the Department of National Revenue who have remedial legislation for that situation. Of course, it has to be proven that dumping is taking place. It is not a matter for the Department of Trade and Commerce, but whoever feels injured should take up the matter with the Department of National Revenue.

Mr. Charlton: May I ask the Minister of National Revenue if he has had any representations on this subject?

Hon. J. J. McCann (Minister of National Revenue): I think there is a misconception in the minds of a great number of members of parliament, and the public, as to what constitutes dumping according to the law. Dumping occurs when goods from a foreign country are imported into this country at a price lower than that at which they are sold to the jobber, wholesaler or consumer in the country of origin. This is a matter which is under careful consideration every day, and the record shows that we have not evidence that dumping is actually taking place with regard to textiles.

There has been some dumping, and when it has occurred the dumping duty has been applied. This means that the invoice has been raised to a price comparable to that at which the goods are sold in the country of origin and both tariff and sales taxes are applied upon that new invoice price. As I have said, the situation is carefully reviewed continuously, and if there are occasions on which the dumping duty can be rightfully applied it will be and has been applied.

FISHERIES

STORMS IN NOVA SCOTIA—DAMAGE TO FISHERMEN'S EQUIPMENT

On the orders of the day:

Mr. T. A. M. Kirk (Digby-Yarmouth): Is the parliamentary assistant to the Minister of Fisheries aware of the loss and damage

that has been occasioned fishing gear and equipment in southwest Nova Scotia owing to the severe storms that took place this week, with winds reported as high as eighty miles an hour lashing the coast? If he is aware, is he prepared to order an immediate investigation by officials of his department to ascertain the extent of this damage, and consider what means may be adopted to assist the fishermen who have had such severe financial losses?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I thank the hon. gentleman for giving me notice of his question. The Department of Fisheries is aware that there were severe storms in southwest Nova Scotia, but no reports have been received concerning the extent of damage that may have been done.

INTERNATIONAL PEACE GARDEN

GRANT FOR DEVELOPMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): My question to the Minister of Resources and Development arises out of an answer which he gave to a question of mine appearing in *Hansard* for Wednesday, December 19, 1951, at page 2190. Will reconsideration be given to the matter of continuing the $15,000 grant to the international peace garden? I should like to ask the minister if it is not possible, in view of the large sums we are spending on defence, to continue paying these few dollars in support of a project dedicated to peace.

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, I think the answer in *Hansard* was as full as one could give. These matters always receive the consideration of the government when consideration is required.

[*Later:*]

On the orders of the day:

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, I rise on a question of privilege. As reported in *Hansard* of December 19 at page 2190, in reply to a question by the hon. member for Winnipeg North Centre (Mr. Knowles) concerning this peace garden project to which there has been some reference this morning, the Minister of Resources and Development intimated that certain members of the house had already made representation. I should like to indicate that, along with the hon. member for Souris (Mr. Ross), some weeks ago I approached the minister on this matter. As is well known to the members of this house, the peace garden project was one of the major interests of my predecessor in this house, the late Mr. J. E. Matthews.

Some hon. Members: Order.

Mr. Speaker: This matter is not one of privilege. Unless the hon. member is allowed to make a brief statement—

Some hon. Members: No.

Mr. Speaker: Then I am afraid I cannot allow the hon. member to continue.

Hon. Robert H. Winters (Minister of Resources and Development): As to that particular question, Mr. Speaker, I think it only fair to say that I was also approached by the Minister of Justice (Mr. Garson), by our party whip, the hon. member for Portage-Neepawa (Mr. Weir), by the hon. member for Dauphin (Mr. Ward) and by the hon. member for Lisgar (Mr. Winkler).

Mr. Mutch: Look around this way too.

Mr. Winters: In fact, I think it is safe to say that I have been approached by virtually every member from the province of Manitoba.

NORTH ATLANTIC TREATY

QUESTION AS TO SUPPLYING FREE WHEAT AND ALUMINUM

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): In view of the stage of the session which we have reached, I should like to direct a question to the Secretary of State for External Affairs in relation to an article which appears in the December 22 issue of the *Financial Post*. This very responsible publication makes the positive statement that requests by NATO nations that Canada supply them with economic aid in the form of free Canadian wheat and aluminum promise to become a highly controversial issue. Then it goes on to say that thus far Canada has given a flat rejection.

I should like to ask the Secretary of State for External Affairs if he is in a position to inform the house concerning this matter, especially in view of the fact that other governments have already dealt with subjects arising out of the discussions relating to this very problem. It would seem that we should have some information about our position before we terminate this session.

Hon. L. B. Pearson (Secretary of State for External Affairs): In regard to that matter I can only say this at this time: No report has yet been received by the government from

the temporary committee of the North Atlantic Treaty Organization, that is the twelve members who have been charged with the responsibility of going into this whole question of resources and requirements. What has happened is that an executive board of that committee consisting of three members has drafted a report to the committee of twelve, and that committee of twelve is still considering that report. The consideration has not yet been completed and may not be completed for a fortnight or so. Until a report comes from the committee of twelve, and not merely the committee of three, it would be obviously inappropriate for me to make any comment on this matter.

Mr. Graydon: There is a good supply of committees, anyway.

IMMIGRATION

IMMIGRANTS FROM UNITED KINGDOM—AVAILABILITY OF EMPLOYMENT

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration (Mr. Harris), as I have had cases of immigrants from the United Kingdom who have been stranded in my own district owing to the fact that they have not been able to secure work. Will the minister say what is being done to look after those people who cannot find work in Canada at the present time?

Hon. W. E. Harris (Minister of Citizenship and Immigration): As the hon. member knows, Mr. Speaker, immigrants from the United Kingdom are, by our laws, free to come here whether there is assured employment for them or not. Nevertheless the government attempts to find employment for those people both through the settlement service of the Department of Citizenship and Immigration and also through the good offices of the national employment service of the Department of Labour. If my hon. friend has any particular persons in mind and will let us know about them, we will do our best to place them. Nevertheless, we do not necessarily accept full responsibility for those who may be free to come here without assured employment.

Mr. Fraser: Mr. Speaker, I may say to the minister that these people were assured of employment before they came over.

UNITED STATES SELECTIVE SERVICE

CANADIANS WORKING IN THE UNITED STATES—IMMIGRATION VISAS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Secretary of State for External Affairs (Mr. Pearson). On December 19 certain questions were asked of the minister with regard to the United States selective service act as it affects Canadian citizens. I asked the minister if there was any consultation between the two governments and the minister replied:

I would have to look into that.

I wonder if the minister has looked into the matter and if he can tell us whether there has been consultation or if our government has made any representations with regard to this matter, since it affects Canadian citizens in the United States?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I have some additional information on this matter which deals with the question which has just been raised by my hon. friend. The hon. member for Rosetown-Biggar asked the other day if the action of the United States in this matter of the application of the United States selective service act to Canadians was unilateral with respect to Canada and not to other nations. That was one of his questions. The reply to that is that the United States law is applicable to all aliens "residing in the United States" except those who are nationals of a country with which there is in effect a treaty or international agreement exempting the nationals of that country from military service while they are within the United States. No treaty or agreement of this nature exists between Canada and the United States.

In reply to the other part of the question which the hon. member asked me, I may say that no representations have been made to the United States government except in a number of individual cases in which it seemed that there had been an incorrect application of the law by local authorities. In such cases representations were made.

The hon. member for Dufferin-Simcoe (Mr. Rowe) and the hon. member for Peel (Mr. Graydon) inquired about the position of students and temporary employees. The regulations are somewhat complex in this matter, but ordinarily bona fide students receive specific student visas and are not required to register in the United States under the selective service act. Persons temporarily employed in the United States for periods of less than six months similarly are not required to register and in consequence do not come within the provisions of the act unless their period of employment exceeds six months.

Mr. Coldwell: Would it not be well to endeavour to negotiate with the United States a treaty similar to that which exists between

the United States and certain other countries whose nationals are not treated as Canadian nationals are being treated under the selective service act of the United States?

Mr. Pearson: We can give consideration to this; but I am not sure that there is any such treaty between the United States and other countries covering this matter.

Mr. Coldwell: I took it from what was said that there were such treaties.

Mr. Pearson: I said if there was such a treaty; whether there are any treaties or not, I do not know. Whether Canada should have such a treaty is another matter, and we can look into it.

CHINA

EXPORT OF CANADIAN FUNDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to address a question to the Minister of Justice (Mr. Garson). As the United States have put into force the trading with the enemy act with regard to funds going to communist China, has the Department of Justice considered putting into force the defence of the realm act with regard to Canadian funds going to communist China?

Hon. Stuart S. Garson (Minister of Justice): Not as yet.

LABOUR CONDITIONS

IMPORTATION OF REFRIGERATORS—LAY-OFFS IN CANADIAN PLANTS

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce (Mr. Howe) or to the Minister of National Revenue (Mr. McCann), or probably both, in view of the fact that I have had representations from some labour men in my riding who are employed making parts for refrigerators. They claim that last year less than 500 refrigerators came from the United States whereas this year the number is 98,000, and that they are affected by having lay-offs in the plant owing to this fact. I was wondering whether the minister has had any similar representations from any other sections of the country.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have had representations; but I think the facts are that resale price maintenance has had more to do with the situation than has dumping.

Mr. Fraser: The 15 per cent excise tax.

Mr. Howe: The 15 per cent excise tax applies on imports as well as on home manufactures.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed, from Wednesday, December 19, consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Fulton.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, on the evening just before the big storm I was on my feet addressing the house on the question of this particular bill. This morning I propose to curtail my remarks materially in order that the business may be proceeded with. What I have to say will redirect the attention of the house to the legislation that has been before us.

To recapitulate briefly what I said the other evening, I had drawn attention to the fact that, on October 9, an indication had been given that legislation would be brought down dealing with this particular subject and that it was not until December 17 that the bill appeared before the house. I was going on from that point to indicate that there was a serious weakness in this legislation. I had intended making a comparison between legislation which has in it good features and meets with general approval and legislation which does not meet with general approval and which therefore must, on the face of it, be considered to be unsound.

Resuming my remarks at that point, I would say that we have had evidence in this session that legislation that has met with general approval has passed through this house without great delay. There has been full debate and discussion, but no great delay. An example of that is the legislation dealing with pensions for disabled veterans. But I point out to the Minister of Justice (Mr. Garson) that there are many examples to show that this legislation does not meet with general approval. The lengthy debate that has ensued upon it is one bit of evidence. The fact that supporters of the government side have risen to express their lack of approval of this legislation is another indication, and the general public reaction, showing a divided opinion throughout the country, indicates that this is definitely contentious legislation, and contentious legislation normally gets a rough passage through the House of Commons, as is quite proper.

Along with many members of the public, I was not very well informed with regard to the subject of resale price maintenance, until this debate was entered upon in this house and the committee held its varying sittings. My first reaction to the subject must have been the reaction of many people. I thought that something should be done about it. Then I discovered that resale price maintenance affected only a small part of the retail business, and I modified my opinion. I noticed from the report that in the early stages Mr. McGregor said, when asked a question as to how extensive was this practice, that he had heard the figure of 5 per cent, 10 per cent, 15 per cent and perhaps 30 per cent. That changes the picture for one who is looking at it for the first time. Subsequently, figures were produced showing that it was in the drug business that resale price maintenance was more extensive than say in the grocery business. Then I discovered that this practice had been in existence for a great many years, and I wondered why no action had been taken before. Why was this particular moment of time selected for action on resale price maintenance?

During the course of the sittings of the committee hearing and from members who were on it and subsequently in debate in the house here I discovered that not all the evidence was heard by the committee and not all the submissions that were to be presented to that committee were considered or heard. That raised a doubt in my mind as to the effectiveness of the work of the committee, and of the value of the legislation that was proposed. I read with the greatest interest Mr. McGregor's submission to the committee. I naturally, as members of the public do, respect his judgment in matters of this kind because of his lengthy experience; but I did notice that Mr. McGregor, after 25 years' experience with combines investigations, with knowledge of resale price maintenance, was not aware of the extent of the practice. At page 607 of the committee's evidence, at the top of the page, in reply to a question put to Mr. McGregor, asking him about the effect the proposed legislation would have on the cost of living, he made this answer:

> Mr. St. Laurent had in mind, I presume, that a very inconsiderable number of items that are included in the cost of living index are in the price maintained area. After all, resale price maintenance does affect only one segment of all retail selling.
>
> Q. What percentage? A. I have heard estimates from 10 to 15 to 30 per cent.
>
> Q. You don't know definitely? A. No, I don't.

If Mr. McGregor does not know I certainly do not know, and I imagine the general public does not know, and it did occur to me that surely a committee investigating this matter should have been able to bring out the evidence to indicate the extent of this practice. Reading Mr. McGregor's evidence I noticed he was of the opinion that there were too many outlets which, again in his opinion, were sustained by resale price maintenance. That is, he intimated that there were some stores operating in the country whose existence perhaps could be maintained only because of the advantage the storekeeper gained by having on his shelves articles sustained in price by resale price maintenance. Well, that I judged was an opinion, and perhaps the opinion of other people would be just as valuable or of some value in offsetting Mr. McGregor's opinion. If there has been an increase in the number of outlets, the number of retail stores, you would have to consider in connection with that the increase in the population. You cannot just take a figure and say, well, there are several hundred or a thousand more stores than there were a few years ago, without at the same time deciding on what has been the extent of the increase in the population. So it seemed to me that that was not a particularly weighty opinion, and I was a bit disturbed—I do not want to do any injustice to Mr. McGregor—at what appears from the evidence as perhaps a lack of concern on his part as to whether some of these outlets, as they were called, should be discontinued. Then again I began to consider in my mind the possible effects of this legislation, and I looked to see what Mr. McGregor would say with regard to that. I found that he said it might have a pretty disturbing effect for the time being. Well, that means that conditions, if they would not be chaotic—perhaps that is too wide a term to use—nevertheless if rather upsetting conditions would prevail for a considerable period of time among the retail merchants, that, I think, is a bit unsettling to everybody who is concerned with stability within our society.

I do not think any great benefit would result to our country if pretty disturbing effects are felt by the passage of this legislation and the abolition of resale price maintenance. It is for that reason I would suggest that certain delay might very well be considered until all the implications of the possible effects of this legislation have been considered. The small retail merchant, I know, from lengthy experience in small towns and in cities, is a person whose position deserves consideration and a certain amount of protection. The retail merchant, as has been pointed out—I do not want to repeat all the things that have been said before—

in most of our cities and towns occupies a commanding position. Certainly in any town in which I have lived the retail merchant is a solid citizen. He has land and owns property in the business section of the town. He owns residential property, and is interested in the future of the community in which he lives. He takes a keen interest in the development of that community, and frequently is to be found on municipal councils and school boards.

If there is some advantage to be gained by the retail merchant through resale price maintenance, an advantage that has cost the consumer something extra—and this has not yet been proved to my satisfaction—but if that should be so, is it not a just and reasonable price to pay for a very effective and useful community service?

Those are some of the thoughts that have passed through my mind with regard to the retail merchant. I would not like to see his position disturbed. In the constituency I have the honour to represent there exists one of the greatest shopping centres in Canada. I refer to the celebrated Portage avenue, which extends from Main street, westward to the city limits for a very considerable distance, and for most of that distance has on either side of it business establishments.

We have the large departmental stores, chain stores and all manner of smaller retail stores. Within that area there is a difference of opinion with regard to this particular matter. My understanding, from the evidence given to the committee and statements made here in the house, is that the large retail stores are not particularly concerned about the legislation and are not opposing it, whereas the smaller retail merchant is offering vigorous opposition. There is a conflict of interest there.

I have been hearing from my constituents on this matter. I have had more than thirty communications on the mimeographed form to which attention has been drawn earlier this session, and I have had between fifteen and twenty telegrams from businessmen who are seriously concerned with this problem. And the consumers, certainly with no more information than I had when I first came to this session, as well as information that emerged from the investigation by the committee of the house, and of course interested in a reduction in the cost of living, and being influenced by statements in the speech from the throne and other remarks earlier in the session, have naturally sent communications to me concerning this matter. They have hoped that this would be one way in which the cost of living would be reduced.

Retail merchants, with a greater knowledge of the facts, have sent telegrams and letters to me suggesting that it would not be a good thing, and that it should be opposed.

Again I suggest to the Minister of Justice (Mr. Garson) that there is a distinct conflict of opinion in the constituency I represent, and that that should be taken into account.

I shall conclude with just these few remarks. My consideration of the problem indicates that a very small segment of the problem of the retail merchant is concerned. The figure of 15 per cent has been suggested as one which might be acceptable. I have come to the conclusion that no effect will be felt by way of a reduction in the cost of living. I have reached the conclusion that the retail merchants would desire some protection against the loss-leader practice, if this legislation goes through. I have reached the further conclusion that the small retail merchant is in danger.

Consequently I suggest that in view of this divided opinion in the house and in the committee, and in the community at large, legislation such as this should be postponed for more complete investigation. If it is the determination of the government to pass it there should be more than just a verbal assurance that the small merchant will be protected. Something should be included in the measure to give him that protection.

In any case I think delay would be a sensible procedure, until the full implications of this proposed legislation are considered. So far as I am concerned, I say that three conditions should be satisfied before the legislation is passed:

The first condition I have laid down is this, to establish convincing evidence that resale price maintenance is detrimental to the public interest.

Secondly, produce evidence that the abolition of resale price maintenance will result in a decrease in the cost of living of the consumer.

Third, produce evidence that the abolition of resale price maintenance will not harm the smaller retailer.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, notwithstanding the suggestion made in the house recently by the hon. member for Rosetown-Biggar (Mr. Coldwell) and also the hon. member for Halton (Mr. Cleaver) that no purpose would be served by further debate on this measure, I wish to make one suggestion to hon. members that I believe warrants their consideration as to how far this house should go in approving the measure now before us.

This whole price discussion started in 1948 with a committee of the house set aside to debate it. From that, a royal commission was set up. Then the MacQuarrie committee was established to study, supposedly, the findings of the royal commission, and to carry forward the study of the Combines Investigation Act.

Then, this fall, just before the beginning of the session, apparently the Minister of Justice (Mr. Garson) was very anxious to get a report from the MacQuarrie committee, and asked that committee to give him an interim report with respect to combines legislation or, more particularly, price maintenance practices.

During the debate in reply to the speech from the throne the Prime Minister (Mr. St. Laurent) made this very clear statement on October 15, as reported at page 42 of *Hansard:*

> I do not think that is going to have a very substantial effect on the index of the cost of living.

That was very plain. It was a plain statement by the Prime Minister to the effect that, although the government was bringing forward this legislation, he did not believe it would have any great effect on the cost of living.

However, instead of bringing down the legislation earlier in the session the government set up another committee of the House and the Senate to study further, at tremendous cost to the country, this proposition. What did this committee accomplish? It served only to confuse the issue and failed to make any material contribution or provide any enlightenment on the question. What happened yesterday can be described only as a club being held over the heads of members of our party.

Being a farmer I was interested in the brief presented by the Canadian Federation of Agriculture, as was the hon. member for Rosthern (Mr. Boucher), but not quite from the same angle. I cannot understand the attitude taken by the Canadian Federation of Agriculture in connection with this particular matter. I should like to quote what I think is a very significant statement which appears in the brief, as follows.

> The government of Canada for many years has recognized that modern industry has produced a set of conditions which are radically different from, let us say, a hundred years ago, when economic activity was based largely on relatively small industrial units in active competition with one another. The steady growth of large scale business concerns has tended to create concentrations of economic power which fosters the growth of monopolistic competition or imperfect competition rather than the simple competition of classical economic theory.

I think you, sir, and other members of this house, will agree with that old saying that it is the little things that count. The very foundation of our country and of democracy is the little things. They are the backbone of any nation. The little farmers, the little businesses, the little industries, the little communities; they are the things that count. What has happened? In the last few years big farmers have been buying up little farmers; big business has been absorbing little businesses; big industries are buying up little industries; big communities are swallowing up little communities.

The normal business practice over the past one hundred years— it will probably be the same in the future—has been to eliminate opposition. This process has been speeded up considerably in the last few years, apparently with the blessing of this government. Is it that the government are not satisfied, and we are now being asked to add legislation to the statute books in this hasty manner which obviously will accelerate that procedure and centralize to the extreme?

This in effect is nothing more than "mail-order catalogue legislation" brought in by the now tabulated minister of make-believe to quiet down public concern over the increasing cost of living. The Prime Minister (Mr. St. Laurent) and one other member that I know of—I heard him say it—have indicated that it will have very little effect on the cost of living.

The federation of agriculture has always tried to get more stable markets for agricultural products by fixing the prices of various commodities. That has been the policy of our farm organizations for years, and I agree with it. But what has been sauce for the goose should be sauce for the gander. We cannot make fish of the one and flesh of the other. It is significant that at a time when we are moving toward the acceptance of policies designed to give price stability in the field of agricultural products a measure should come before this parliament that would outlaw such practices in another field.

Agricultural price legislation was brought into being after many years of study, a more detailed study than has been given to this measure having to do with the field of retail prices. The agricultural price legislation was given the closest study by agricultural groups from British Columbia to the maritimes, and by government officials, provincial and federal, all across the country. In some cases it has resulted in legislation which serves to establish even the retail price to the consumer. If it is right and lawful in the one field, why is it not so in the other?

I submit that if such a large group of people in Canada have come to this conclusion after a very detailed study, more detailed than has been given to this measure, then we should tread lightly in destroying a similar practice in the general merchandising field in this country. I know the Minister of Agriculture (Mr. Gardiner) is quite familiar with this trend in the marketing of agricultural products.

I am sure that this house will await with interest an explanation from him as to how this practice can be so good in one case and so detrimental in another, as his colleague, the Minister of Justice (Mr. Garson), would have us believe.

In closing I should like to give one note of warning to hon. members who may be still inclined to support this measure. If the government persists in placing this ill-considered, hasty and far-reaching legislation on the statute books of this country they will by their action sow the seeds that will eventually destroy the whole basis upon which the marketing of agricultural products and the stability of agricultural prices are presently being maintained.

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

YEAS

Messrs:

Adamson	Drew
Aylesworth	Fairclough, Mrs.
Balcer	Fraser
Blair	Fulton
Cardiff	Graydon
Casselman	Hees
Charlton	Hodgson
Churchill	Lennard
Courtemanche	Macdonnell (Greenwood)
Coyle	McGregor
Dinsdale	Nowlan—22.

NAYS

Messrs:

Anderson	Darroch
Argue	Dechene
Arsenault	Dion
Balcom	Dube
Black (Chateauguay-Huntingdon-Laprairie)	Dumas
Blackmore	Eyre
Blanchette	Fournier (Hull)
Boisvert	Fournier (Maisonneuve-Rosemont)
Boivin	Fulford
Boucher	Garson
Breton	Gauthier (Portneuf)
Bryce	Gingras
Cameron	Gour (Russell)
Cauchon	Harris (Grey-Bruce)
Claxton	Healy
Cleaver	Helme
Coldwell	Henry
Corry	Herridge
Cote (Matapedia-Matane)	Hosking
Cote (St. Jean-Iberville-Napierville)	Howe
Cote (Verdun-La Salle)	Jones
Kirk (Digby-Yarmouth)	Jutras
Knowles	Monette
LaCroix	Mutch
Lafontaine	Noseworthy
Laing	Pearson
Langlois (Gaspe)	Proudfoot
Leduc	Prudham
Lesage	Rinfret
Little	Robinson
Low	Rooney
Macdonald (Edmonton East)	St. Laurent
MacNaught	Sinnott
McCann	Studer
McDonald (Parry Sound-Muskoka)	Tremblay
McIlraith	Ward
McLean (Huron-Perth)	Whiteside
Major	Whitman
Maltais	Winkler
Masse	Winters
	Wood—82.

Mr. Gardiner: I was paired with the hon. member for Souris (Mr. Ross). Had I voted, I would have voted against the amendment.

Mr. Gibson: I was paired with the hon. member for Essex West (Mr. Brown). Had I voted, I would have voted for the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted for the amendment.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted for the amendment.

Mr. Catherwood: I was paired with the hon. member for Kent (Mr. Huffman). Had I voted, I certainly would have voted for the amendment.

Mr. M. J. Coldwell (Rosetown-Biggar): I realize, Mr. Speaker, that we are to attend at the other place for royal assent to certain bills, but I believe I shall be able to finish what I have to say before we leave this chamber. The debate on this particular matter really began on November 2, and was continued on November 6. At that stage there were twenty-six speeches. The problem went to a special committee of the house which heard eight hundred pages of evidence. Finally, a report was made to this house on December 7. The debate on the bill which came to us as a result of the committee's deliberations began on December 17, continued on the 18th and 19th. There were twenty-nine speeches, three of them over two hours in length. Yesterday, of course, we had a debate on procedure when thirty-six speeches were made, and an inferential debate continued on the measure still under discussion. Consequently, Mr. Speaker, I do not feel there is very much need for me to say a great deal about the amendment I propose to move at

this stage. I feel that all possible considerations, both for and against the bill, have been placed before the house, and that the amendment I am about to move I explained quite fully in my speech on December 17. Consequently, as I say, I do not propose to say much about it today. I think that we should avoid endless repetition.

This measure has received widespread support throughout the country. The federation of agriculture has placed its support behind this measure, as have the Canadian Congress of Labour, the Co-operative Union of Canada and the Canadian Association of Consumers. Consequently, I take it that the measure is, in the main, reasonably satisfactory to very large groups of people in this country who have spoken through their various organizations, as is their democratic right. I am sorry, however, that the bill does not contain certain provisions. I have to move that the bill be not now read a second time, because that is the only form that one can use. But I hope that the house will accept the amendment that I propose to move, and that the bill may be strengthened in regard to the matters I have already mentioned. Even if that were not the case, I think the bill as it stands is preferable to leaving the matter as it has been. We have had a number of investigations into price maintenance, either directly in a few cases or indirectly in a number of cases, by the combines investigation commissioner. I do not need to enumerate them. I regret that the bill does not give some protection, which I think many retailers have quite legitimately requested, against price cutting and the advertising of loss leaders. As I said on Monday, I think the hon. member for Spadina (Mr. Croll), when he made a motion before the special committee, moved something that was worthy of more consideration than it received. I also think some steps should be taken to prevent the discrimination that exists as between big dealers and small dealers.

Manufacturers give substantial discounts to dealers who buy large quantities of goods. This makes it more difficult for the individual small retailer to compete with these large organizations. I should have liked to have seen something in the bill to regulate this. I said the other afternoon, and I repeat, that certain of our farm commodities such as wheat are sold at the same unit price per bushel whether an individual buys fifty bushels, a hundred bushels or a million bushels. I think something might be done along those lines. I will not say that you could completely overcome inducements to buy in large quantities. I think we could enact legislation that would at least regulate this factor.

[Mr. Coldwell.]

As I said the other day, my amendment is in line with what I believe the Trades and Labour Congress recommended to the committee, and I thought that organization struck a note that this house should seriously consider, that is if we are to have regulation, and apparently there must be some regulation.

My hon. friends of the Progressive Conservative party, who have opposed price control by publicly appointed bodies or bodies appointed by this parliament, have been urging that manufacturers' private interests should be allowed to exercise a very large measure of control over retail prices; that is not good. But I do think that the public has some right to have some control over price levels in the interests of the consumer and of the individual who handles goods on the way to the consumer. As I stated, I believe that on Monday I said all that I need to say regarding this matter. It has been so well debated and at such length in this house that I feel it would be repetitious to say anything more than I have said. I am going to move, Mr. Speaker, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That Bill No. 36 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing that where regulation of resale prices is in the public interest such regulation should be under public control instead of under private control.

If this amendment should be approved by the house, we shall be delighted. If, on the other hand, it is not approved by the house at this stage, I hope the government will give some attention to these matters during the recess and ask the combines commissioner to consider the matter and make some recommendations, so that we may round out the bill now before us in such a manner that it will be satisfactory to the consumer and at the same time give those retailers in the smaller places more protection than they otherwise would have.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, perhaps I might be allowed to say just a word about the position of the government with respect to this amendment. The adoption of this amendment would, of course, mean that there would be no legislation at this session. In spite of the hope expressed by the hon. member that it would be accepted, I think that he will be content with the second hope that consideration between now and the next session will be given to other problems that may arise in connection with the regulation of prices.

I might say that, on this second part of the report of the joint committee on combines legislation, the part that deals with the danger

of the loss leader being resorted to, the position of the government is that we recognize that there are in this house on both sides members who honestly fear that the consequence of prohibiting resale price maintenance will, in the words of the committee,

> . . . be to enable large and powerful retailing interests to engage in a policy of selling goods at unreasonably low prices for the purpose of destroying the independent retailer.

The government agrees with the committee that under present conditions there does not seem to be any substantial likelihood of such policies being engaged in. We feel, moreover, that unless circumstances arise in the meantime which are not now foreseen, we should await the final report of the MacQuarrie committee before considering any legislation on the subject that the committee is now considering. The government is, however, quite prepared to co-operate to the fullest possible extent with the law enforcement officers, both of the federal government and of the provinces, in the vigorous enforcement of section 498A of the Criminal Code whenever it may appear that the practices forbidden by that section are being engaged in.

Moreover, the government wishes to give close and constant attention to the effects of the legislation now being considered by the house, if it is adopted, and to any practices which may develop either as a result of that legislation or independently of it which would be contrary to the public interest. In the event of any such development which cannot be dealt with under existing legislation, the government will give serious consideration to what other legislative action it may be appropriate to recommend to parliament.

Mr. Coldwell: Mr. Speaker, may I say one word in view of what the Prime Minister has said?

Mr. Speaker: With the consent of the house.

Some hon. Members: Agreed.

Mr. Coldwell: I carefully followed what the Prime Minister has said. He has not, of course, dealt with the point I have made in the amendment with regard to a public board to do some regulation in connection with prices, but I would say this. If the government is giving consideration to these matters, while I think hon. members should express their views on this amendment I would be prepared to say that, after they have done so, I would not divide the house on this question at this time since I realize the validity of the point made by the Prime Minister, namely that it would be difficult to introduce legislation at this session.

Mr. Drew: Mr. Speaker, without its being regarded as a speech on this amendment, may I ask a question? I am not clear as to the meaning of this amendment. It speaks of "regulation of resale prices" and it says:

> . . . where regulation of resale prices is in the public interest such regulation should be under public control instead of under private control.

The hon. member has not explained in a manner that I can understand just what is meant by that phraseology. I am asking the question as related to the general practice that has grown up in the United States on fair trade practices, with boards administering them; and I am interested to know whether he has in mind that sort of thing or some other system of price control.

Mr. Coldwell: I would say this, Mr. Speaker. Where it is desirable in the public interest to regulate resale prices, it should be done by representations to a public board set up under the authority of parliament.

Mr. Drew: May I extend the question? What I am trying to clarify is this. I should like to know whether the hon. member is proposing a board similar to the fair trade boards in the United States, where a general program of prices is approved, but where the actual fixing of prices is not done by the board, or is he actually suggesting that this board should fix prices?

Mr. Coldwell: I am suggesting that this board should hear representations and then make decisions as to what fair prices will be.

Mr. J. W. Noseworthy (York South): Mr. Speaker, for a week I have had in readiness a forty-minute speech in support of this amendment, waiting for an opportunity to speak to it. I do not know whether I can reduce that speech and give it in less than forty minutes, much as I desire to facilitate the business of the house.

An hon. Member: Try.

Mr. Noseworthy: I shall try hard.

When I was speaking on the resolution which preceded this bill, on November 6, I took occasion to say that in my opinion this legislation was being introduced for political purposes chiefly; that when parliament assembled early in the fall there was a great public demand for some control over inflation and that that demand was taking the specific form of a demand for price control; and that the government, unwilling to introduce price control, offered this as a sop to the public to allay their demand, or to take the heat off, as it were, the demand for price control.

I am still convinced that this is the main purpose the government had and still has in mind in getting this bill through parliament this session. During this debate the leader of the opposition (Mr. Drew) called

attention to the fact that January is a month of sales in the stores of Canada. There is no question that, during the coming month of January, we shall see more of those sales than usual. As a result of the government's fiscal policy, as a result of having drained off unnecessary taxation from the people, as a result of their credit restrictions, as a result of the unemployment and part employment that has developed, stores across this country find their shelves loaded with goods that they have been unable to sell. There is no doubt that those shelves will be unloaded following the Christmas business, and I suspect that the government hopes to glean some measure of credit for this bill when those sales take place. The Minister of Justice can say to the Canadian public: Look, I told you so. We passed the price maintenance legislation at the end of the year and already prices are reduced throughout the country—prices, I may say, that would have been reduced in all probability, entirely regardless of what happened to this bill.

To give credit to the MacQuarrie committee, they did not suggest that this proposed legislation would have any effect upon the cost of living. They say on page 21 of their report:

> The committee has studied resale price maintenance in the light of the two standards of judgment originally set up, namely, the desirability of a free economy and the need for economic efficiency.

The MacQuarrie committee, in their recommendation that price maintenance should be made illegal, were not thinking particularly of the cost of living, were not thinking particularly of the small retailer or merchant. It is the government that is thinking of them from a political standpoint. They were concerned only with preserving our free economy; and in the words of the report:

> This study has led the committee to the general conclusion that resale price maintenance, on the growing scale now practised, is not justified by either of these standards. It represents a real and undesirable restriction on competition by private agreement or "law" and its general tendency is to discourage economic efficiency.

It becomes quite clear from the report that the MacQuarrie committee was concerned with the preservation of a free economy. I have no doubt that the government is also interested in the preservation of a free economy, and of course the official opposition is likewise interested in the preservation of a free economy.

What is true of course is that this bill is a culmination of a controversy that has developed among the supporters of the free economy system. On the one hand we have the Liberals and the T. Eaton Company of Canada supporting what they call free and open competition. I presume it is the kind of competition that Adam Smith recommended.

[Mr. Noseworthy.]

It may well be that the Minister of Justice (Mr. Garson) has not studied much economics since he took some lectures on Adam Smith during his university days. I suggest that if he supplements what he learned about laissez-faire economy during his university days with something a little more up to date he will know that free competition within our free enterprise system as he visualizes it does not and cannot exist under present-day conditions.

The Conservatives, supported by the mass of the independent retailers throughout the country and by other groups, believe that we should have regulated and controlled competition within our free economic system. I use the phraseology "regulated and controlled competition" because that is the phrase which the pharmaceutical association, in their brief to the joint committee, used in connection with the practice of price maintenance. The financial expert of the official opposition, the hon. member for Greenwood (Mr. Macdonnell), made it quite clear to us in his speech that he did not believe in free and open competition. Evidently they believe that under conditions existing today there must be some regulation and some control.

THE ROYAL ASSENT

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

> Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in His Majesty's name, the royal assent to the following bills:

An act to implement the international convention for the regulation of whaling.

An act to implement the agreement between the parties to the North Atlantic treaty regarding the status of their forces, signed on the nineteenth day of June, 1951.

An act respecting the surveys of public lands of Canada.

An act to amend the Bills of Exchange Act.

An act to approve the financial agreement between Canada and the United Kingdom, signed on the twenty-ninth day of June, 1951.

An act to amend the Judges Act, 1946.

An act to provide for old age security.

An act to amend the Pension Act.

An Act to amend the Canadian National-Canadian Pacific Act, 1933.

An act to amend the Maritime Freight Rates Act.

An act to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

An act to amend the Supreme Court Act.

An act to amend the Exchequer Court Act.

An act to amend an act respecting the Revised Statutes of Canada.

An act to amend the Public Printing and Stationery Act.

An act respecting the Canadian forces.

An act respecting the general synod of the Church of England in Canada.

An act respecting the general synod of the Church of England in Canada and the missionary society of the Church of England in Canada.

An act to incorporate the Evangelical Mennonite Brethren of Canada.

An act to incorporate the Sisters of Charity of the House of Providence.

An act respecting the Toronto harbour commissioners.

An act to amend the Railway Act.

An act respecting construction of works for the generation of electrical power in the international rapids section of the St. Lawrence river.

An act to establish the St. Lawrence seaway authority.

An act to amend the North Fraser Harbour Commissioners Act.

An act to provide for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations.

An act to amend the Dominion Elections Act, 1938, and to change its title to the Canada Elections Act.

An act respecting the National Gallery of Canada.

An act to amend the Civil Service Act.

An act to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to complete harvesting operations or to make delivery of grain.

An act to authorize the provision of moneys to meet certain commitments for new equipment incurred by the Canadian National Railways system during the calendar year 1951, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

An act to amend the Canadian Broadcasting Act, 1936.

An act to provide for the establishment of an agricultural products board.

At one o'clock the house took recess.

The house resumed at two o'clock.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Coldwell.

Mr. Noseworthy: Mr. Speaker, when we were called to the other place I was about to show that the bill before us is the culmination of a controversy that exists within the free enterprise system as to how much competition should be permitted within that system. I pointed out that the Liberals on the one hand support free and open competition as provided for in the bill, but the Conservatives favour regulated and controlled competition, that the Liberals are supported by the mass buyers and distributors of merchandise while the Conservatives are supported by the manufacturers and, I would say, by the independent retailers throughout the country. I think we can draw from that the conclusion that today there is just no place in the merchandising of goods for free and open competition such as the government visualizes. The view is expressed by the pharmaceutical association in their brief when they call attention on page 42 to the factors which in modern times have entered our free economy. They say:

> Adam Smith's economics knew nothing of the baffling problems that our machines have created. The early pioneer had only a few rather simple problems to solve; but today's interdependence of men, of classes of men—pounding engines and whirling wheels—corporations, holding companies, and industrial empires have created problems that Adam Smith never dreamed of happening.

Granted then that there just is no place in our present system of merchandising goods for that free and open competition which the Minister of Justice (Mr. Garson) visualizes in the bill, and accepting the fact that such competition as we have must be regulated and controlled, as admitted by business, by the pharmaceutical association and by those who put forward the Conservative point of view, the question arises as to who shall do that regulating and controlling. After all, the present system of price maintenance, a device which has been practised now for twenty-five years, a system that has been worked out by the manufacturers and retail merchants whereby the manufacturer is able to fix the retail price at which the goods he manufactures shall be sold in every store across the country, appears to be giving satisfaction to the manufacturers. They are quite satisfied with the system.

The retailer finds it much more convenient to have the manufacturer fix the price at which the article shall be sold than to have to go through the difficulty of figuring the individual mark-up on every article he places on his shelves. But there are others besides the manufacturers and the retailers to be considered. In this fight between the two groups of giants within the free enterprise system, the mass purchasers and distributors of goods such as the T. Eaton Company on the one hand and the manufacturers on the other, there are a few million consumers who should be given some consideration. If it is necessary in order to maintain the private enterprise system and prevent the growth of monopolies within the distributive branch of business, then in our opinion the authority to control and regulate price maintenance, or whatever degree of price maintenance is in the public interest, should be in the hands of an authority that is subject to parliament.

We feel it is not fair to the consumer to leave the manufacturer with a free hand to fix the price of his goods to the retailer. The Conservatives of course will argue that it provides for competition and that that competition prevents the manufacturer from fixing his price too high. They would probably tell us that the consumer's interest is safeguarded under the present price maintenance system. If manufacturers as a class are to be given the right to fix the prices of their goods, and if that system is spreading and becoming more general with larger and larger sections of our economy being affected by the practice of price maintenance, I do not think any of us are naive enough to believe that the consumer's interest is going to be adequately protected under that system. It is for that reason we suggest, as did the trades and labour congress in their brief to the committee, that control should be exercised by means of a board subject to the authority of parliament.

As a matter of fact, in their brief the retail druggists of Ontario point out that in recent years prices of wheat, milk and the wages of employees have been regulated by law. We maintain that if it is necessary, as I believe it is, that prices should be maintained in certain spheres for the protection of the small storekeeper, that protection should be such as will afford protection to the consumer as well as to the manufacturer and to the retailer. There is nothing unfair in suggesting that. It is a procedure to which every trade union in the country is being subjected. It is a procedure by which the farmers of this country sell their wheat. It is the procedure by which milk prices are regulated in the larger communities. It is a procedure that can be fair to the manufacturer, that can be fair to the retailer and can take the interests of the consumer into account.

I point out, Mr. Speaker, that the legislation before us is incomplete. It is unfortunate that the government should be introducing this legislation so late in the session. They now feel that to accept our amendment will mean that they will not be able to bring in any legislation regarding price maintenance this session. I would merely like to point out that I fail to understand what the government expects to gain or just how they expect to serve the public interest by rushing through legislation that is incomplete, and will probably have to be reconsidered as soon as its effects upon our economy are observed. I do not think we need any combines investigation, I do not think we need any stacks of statistics, to know that without some degree of protection firms such as the T. Eaton Company and the chain stores will eventually push the small businessman to the wall. I believe most of us in this house are old enough to have observed during our lifetime what happens under those circumstances. It is, therefore, in the interests of the retailer, in the interests of the manufacturers and consumers of this country, that we propose that this bill be reconsidered; that it be not now read a second time, but that consideration be given to means whereby these various sections of our economy may be protected.

I might point out that the interim report of the MacQuarrie committee recognized that it had not given complete study to this problem. There was the question of loss leaders for which, at that time, the committee had no remedy to offer. It is true they point out that under present conditions there is not much of that being done, and there may be ample time to devise some legislation that will protect the small dealers against loss leaders. The minister went to great lengths to try to assure the retail trade that they would not suffer by reason of this legislation. I prefer, Mr. Speaker, to accept the opinion of the retailers of this country as against the judgment of the minister. I take it that they know their business better even than does the learned Minister of Justice.

I take it that these retailers are not protesting purely on grounds of selfish interests. I refuse to accept the explanation that these retailers are being pressured into their protest by the larger manufacturers. I believe they have a real cause for protest; and, as the leader of this group says, we sympathize with them in the dilemma in which they find themselves with this legislation facing them. I would again urge the government to give consideration to the recommendation put before the committee by the trades and labour congress, that where protection is needed for the retailers it be given on exactly the same terms and in exactly the same way as trade unions and others are protected, by a board which is directly responsible to this parliament.

Mrs. Ellen L. Fairclough (Hamilton West): The amendment which has been moved by the member for Rosetown-Biggar (Mr. Coldwell) has not appeared in quite the form in which I had expected it. I am, therefore, led to guess as to its complete meaning. But I believe, Mr. Speaker, that the hon. member meant it to apply somewhat to fair trade laws which could be passed. With this in mind, I should like to compliment him upon evolving

an alternative to a bill which, in my estimation, would work definite harm upon the Canadian economy.

In the short time which is permitted for debate on this and other matters, it was not possible, when I spoke on the original amendment the other day, to go into the matter of fair trade. I have in my hand a booklet to which I referred the other day. At that time I was under the impression that every member of this house had received a copy. Since then I have found that they were not distributed generally. There is some pertinent information in it which I believe should be on the record.

Mr. Coldwell: Would the hon. member identify the pamphlet so that we may obtain copies?

Mrs. Fairclough: Yes. At the suggestion of the hon. member for Rosetown-Biggar I should like to say that the title of the pamphlet is "One Hundred and Fifty Million Reasons for Fair Trade". Undoubtedly the one hundred and fifty million refers to the population of the United States. It is a booklet by W. W. Wachtel, President of Calvert Distillers Corporation. He deals with fair trade practices in a fairly general way, and the arguments which he puts out in this booklet are extremely interesting. On the very first page he has what he calls "Dedication", which reads as follows:

> This booklet is dedicated to the 1,800,000 retailers in the United States in all lines of business, especially the 91 per cent of the smaller stores which do 70 per cent of the total business. They bolster the free enterprise system which has brought to this country the highest living standards enjoyed by the people of any nation in the history of the world.
>
> The elimination of the small retailer from our system of mass production and distribution can precipitate the end of free enterprise.
>
> Without small business, the individual's right to go into business for himself would be lost. When that time comes . . . when everyone is consigned to a future of working for someone else, the average man may then decide that it would be better to have the government as the only boss. Most Americans fervently hope this never happens here.
>
> If small merchants as a class were wiped out, the middle class in our economy would be on the way out. Then we will have a few big monopolies and 150 million proletarians. That was what Karl Marx predicted would happen to capitalism just before it collapsed.
>
> About 300,000 retailers have been added to the national economy in the past twenty years since the first fair trade law was enacted, indicating that fair trade has promoted competition rather than monopoly and strengthened our merchant class upon which free enterprise depends. Moreover, fair trade is not price fixing and does not increase prices.
>
> Every American who values highly the welfare of his country should support fair trade, because by preserving small business we may prevent transforming America into an alien and perilous two-class system.

I think there is a great deal of truth in that dedication and it can be applied to this country just as well as to the United States of America because we live in a similar economy. While, of course, our numbers are much less than theirs, nevertheless many of the same rules apply and are interchangeable.

In this booklet Mr. Wachtel goes on to deal with the various phases of fair trade and how they affect the various classes of people in a country such as his—and as ours too. In chapter 2 he has something to say about the producer and fair trade. I do not intend to read all of this chapter. I should just like to make a couple of comments. He picks up again a phrase which he used in the dedication and says "Fair trade is not price fixing." He quotes Governor Herbert H. Lehman as saying:

> Fair trade is in no sense price fixing. It does not sanction monopoly, monopoly prices or combinations in restraint of free competition with commodities.

But he goes on to say that not all producers need fair trade laws, as not all have brand names to protect. A manufacturer who has control of the distribution of his product finds fair trade laws unnecessary. But then he goes on to show that the manufacturers who do not control the distribution to the ultimate retailer need the benefit of fair trade laws.

In his next paragraph or chapter he deals with the subject of how fair trade protects the consumer, and he elaborates on what he calls two broad ways that the consumer is protected, the first of which is by preventing the employment of predatory loss leadering which uses brand names to build up store traffic to increase the sale of non-fair trade goods. He elaborates that theme. Then his second way is as follows:

> The consumer is also protected by fair trade against a loss in quality of brand names. Brand names represent the reputation and integrity of the producer who spends millions to advertise the product. The product achieves wide sale to become a standard brand only because it has been tested widely in the market place, proving that it is of top quality and good value in every respect. However, if price cutting continues on the brand, the producer (in self defence to prevent loss of markets) must eventually reduce the price to the dealer. To continue to sell at a lower price, the manufacturer is soon compelled to lower the quality of the product. The consumer can only get what he pays for.
>
> It narrows down to what Herbert Hoover said: "Honest merchants do not cajole their customers that a dollar's worth of mechandise can be sold for 69 cents."

He goes on to say:

> Under fair trade, merchants may not use brand names as bait to get business. If quality is to be maintained, the consumer must pay a dollar for a dollar's worth of goods.

I said something the same in my remarks the other day on the first amendment. It was not until later that I read this article of Mr. Wachtel. I think it is significant that when you get into the discussion on resale

price maintenance and fair trade laws you just naturally follow certain channels of thought. I do not think they could be expressed more lucidly than this gentleman has expressed them in this extremely interesting booklet.

When you start to consider fair trade laws, you are confronted with the difficulty of making laws which can be enforced. I feel that it would be preferable if we were not faced with the necessity of making fair trade laws. We would not be faced with the necessity if it were not evident that the government intends to put through this legislation abolishing resale price maintenance. If that legislation goes through, we feel that we must heed the advice of one of the witnesses who appeared before the committee when he pleaded with the committee not to throw out the baby with the bath water. We must consider what is the next step if this legislation is to go through against all the protests of the people in this house and in the country. If the government is determined to put it through, what then must we do to protect our economy?

In the system which has been followed in this country, we have at the present time, in my opinion, the best basis for fair trading and the best protection against loss leadering. We are now faced with the possibility that that system is going to be declared illegal. Therefore, when it becomes illegal we must proceed to build up other laws to take the place of the natural process under which we have operated for some time.

I have been interested in the evidence given before the subcommittee on study of monopoly power of the committee on the judiciary of the House of Representatives in the United States. On page 20 of serial No. 1, part 5, evidence is given by Stephen J. Spingarn, the federal trade commissioner. He was speaking on the difficulty experienced in registering convictions. He was speaking after a case had gone to the supreme court, I believe the case of the Standard Oil Company *v.* the Federal Trade Commission, in January of this year. He said:

> Now, the issue in that case was whether when the federal trade commission brings charges of unlawful price discrimination, and further makes a showing that those price discriminations have resulted or will probably result or may even certainly result or may in fact have already resulted in substantial injury, serious injury, to competition or even destruction of competition, that it is nevertheless a complete defence to those charges for the seller to make a showing that he was meeting competition in good faith.

That paragraph alone, Mr. Speaker, shows how a simple thing can be used as a defence to a very serious charge. There is some further discussion, all of which I do not propose to read, but Mr. Spingarn finally says that prosecution can really be successful only after it has been proved that the monopoly has actually been created. Then he goes on to say:

> You would be locking the barn after the horse was stolen.

That is precisely one of the things that we fear. We fear that by the time legislation is worked out for the protection of business people in this country the horse will already have been stolen; that they will have faced economic disaster, have been defeated, and you cannot build up what has once been torn down.

There has been quite a bit of comment about section 498A of the Criminal Code, and the fact that it provides the means whereby businessmen can be protected. The section which is most frequently quoted sets out that penalties may be levied against any person or corporation who—and this is the part that I should like to quote:

> (a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors in respect of a sale of goods of like quality and quantity;

I believe this section has been in the act since 1927. I think I am correct in saying that never has any charge been laid under it. If the enforcement of that section could protect those who have suffered by reason of discriminatory practices, then why has it not been enforced before now? Cases have been brought before the courts under which certain corporations have been convicted and have been dealt with under the Combines Investigation Act, but at no time has any charge ever been laid under this section. I do not wish to express an opinion myself, because I am not a lawyer, I am not learned in the ways of the courts; but I know that among business people there has been comment to the effect that some of these investigations might well have produced circumstances in which charges could have been laid under this section.

It has become increasingly apparent that it is impossible to write laws which can be enforced against loss leaders. The most effective means heretofore, as I said before, has been the practice which is now followed, namely, the establishment of a reasonable resale price which protects the consumer and the merchant alike. If we wipe that out and we proceed to introduce, let us say, something in the nature of fair trade laws, we will go right back to the old system which

was in vogue and which has since been discarded by the tobacco companies for one, and by Gillette's for another, under which the manufacturer merely made a contract with his end dealer by which that dealer became his distributor. It seems to me that we are going backward instead of forward if we wipe out the practice which makes that almost mandatory, if we are to protect the economy of the country.

Mr. Coldwell: How does the consumer benefit under this system?

Mrs. Fairclough: A consumer, as I pointed out the other day, Mr. Speaker, and as I said a few moments ago, benefits because of the fact that when you establish a reasonable retail price the quality of the article which he purchases is assured and protected. I did not read the whole of Mr. Wachtel's article on the consumer and fair trade. I would suggest that hon. members secure that booklet and read it. I feel that the big difficulty in this whole discussion, and in all of the investigations in committee and in this House of Commons, has been that we have proceeded with such speed that we have not had an opportunity adequately to consider the effect of the steps which we are taking.

There is one part of the amendment of the hon. member for Rosetown-Biggar (Mr. Coldwell) with which I am in wholehearted agreement. That is the part in which he says that the bill be not now read a second time. I am in agreement with his whole resolution if what he means by it is the establishment of fair trade practice laws which will protect the distributors and the consumers of this country.

In August, 1951, the chairman of the federal trade commission, James M. Mead, issued a statement following a conference among officials of his commission. They were concerned over the effect on the small retailers of the price wars that had developed in New York and other cities after the supreme court's decision invalidating in interstate commerce the non-signer provisions of state fair trade laws. In part he said:

> While the FTC is "keenly aware of the importance of low prices to consumers," one of the "prime objectives of our competitive system" Mr. Mead said, it is also "keenly aware of the fact that if price discrimination and predatory price-cutting result in the destruction of the small independent businessmen who constitute the backbone of that competitive system, then the consumer will suffer a long-term loss far overshadowing his apparent immediate gain. The effects of such a tragedy would quickly shatter the illusion that the consumer benefits from pricing practices which are in effect unfair."
>
> Mr. Mead also said that the commission is presently investigating whether or not certain large concerns are inducing and receiving "unlawfully discriminatory prices" in the form of discounts, advertising allowances, or other concessions.

As I said a moment ago, we have provision for just such investigation in our own Criminal Code. There is presently under consideration by our neighbour to the south what has been described as a 22-point program on fair trade. I have found it impossible to secure a copy of this program, because I believe it is still in the committee stage there. Quite frankly I do not know whether it is being handled by the federal trade commission or by the department of commerce. I ran into a blank wall when I tried to get a copy of the program. But the very fact that such a program is under consideration at the present time is evident proof that all is not rosy in the field of price maintenance.

The evolution of fair-trade laws in the United States was described in the evidence submitted to the committee in the brief of the retail hardware association. I think it is pertinent to this discussion, and I would like to read a small portion of it because it shows how we progress from one step to another. If we take this step, which was taken in the United States over fifty years ago, we can see what may happen to us in the field of supplementary legislation required to protect the economy.

This brief reads in part as follows:

> It is to be noted that resale price maintenance is an entirely lawful marketing practice under the common law. Only in the United States of America was the practice found to be illegal and there only by virtue of the unique provisions of the Sherman Anti-Trust Act of 1890, under the provisions of which the courts held that neither a patent nor a copyright nor a trade-mark gave a product a proprietory right which the manufacturer could enjoy when his manufactured product had reached the hands of a retailer. An epidemic of "cut-throat" competition in that growing country at the turn of the century produced a demand throughout the entire United States for legislative action to permit resale price maintenance on a vertical basis where branded or trade-marked merchandise was involved as the economists and subsequently the legislators of that country soon found that a highly reputable brand of merchandise, developed often at great expense and with great expenditure of technical skill and scientific experiments, a brand of merchandise which had great consumer acceptance and which was being marketed at a price highly desirable from the viewpoint of the consumer, could be destroyed in a comparatively short period of time by ruthless deep-cutting of prices by certain large scale retail organizations, notably chain and department stores. This price cutting, it was found, developed, first of all, a state of complete chaos in the market for the products, and, at the secondary stage, a point where the consumer's faith in the product has been shattered and in the result, the product disappeared from the market, in many cases, to the great loss of the consuming public. The instance of that well-known product, the Ingersoll watch, was in fact largely instrumental in the aroused demand for fair trade legislation in the United

States. Since that time legislation in forty-five of the United States and in inter-state trade has provided a legal framework for resale price maintenance and has, in effect, restored the ancient common law position under which resale price maintenance was a lawful, economically sound, marketing practice.

There we have it. We are proceeding to destroy what has been acceptable practice under common law. So that we face a period of time in which it will become increasingly evident that to replace that practice we must evolve a complicated framework of legal structure which will permit the very thing which we abolished.

It seems to me this is a very foolish procedure. I cannot let that belief stand in the way of the practical knowledge that quite apparently the house intends to proceed with this legislation abolishing resale price maintenance. I must admit I am a little concerned over the phraseology of the amendment now before us, because to my mind it creates some ambiguity. I do not believe it is absolutely clear that what is intended is the establishment of a provision whereby legislation may be studied which will introduce what is commonly known in this country and in the United States as fair trade laws.

Because I wish to be absolutely sure about what we are voting on, and because I do not wish to lay myself open to supporting something which may turn out entirely different from what I had thought it meant, I move, seconded by the hon. member for Kamloops (Mr. Fulton):

That the amendment be amended by deleting all the words after the word "providing" and substituting the following: "for the establishment of a fair trade commission."

Mr. George H. Hees (Broadview): Mr. Speaker, I was very much interested to hear what the hon. member for York South (Mr. Noseworthy) had to say on this matter a few moments ago. It was very refreshing indeed to hear his viewpoint, because it was so diametrically opposed to that expressed by the hon. member for Vancouver East (Mr. MacInnis) in the committee on resale price maintenance, on which I had the honour to serve. The hon. member for Vancouver East was one of the two C.C.F. representatives on the committee, and expressed himself as being quite satisfied with the legislation. His only desire was to have it put through immediately, without any change whatsoever.

It would seem now, as evidenced by the opinions expressed by the hon. member for York South, that the C.C.F. party is perhaps realizing that this legislation is a great threat to the business life of the small retailer. I hope his views are now those generally accepted by the C.C.F.

The hon. member for Hamilton West (Mrs. Fairclough) has just said that we should give careful consideration to the fair trade laws which are now the accepted practice in the United States. With that I agree. It is most important that we examine carefully the experience of the United States. I am going to go over some of the ground which I went over a few nights ago, and express some further opinions on the United States fair trade laws. I shall say something about the experience of that country in the past fifty years.

In 1900 the United States made resale price maintenance illegal. During the next thirty years, both consumers and retailers found that the condition which this abolition of resale price maintenance created was most unsatisfactory, and 1931 saw the appearance of the first fair trade law in California. This law proved to be so satisfactory to both consumers and retailers that today, in 45 of the 48 states, the abolition of resale price maintenance has been replaced by fair trade laws.

It is obvious from this that the fair trade laws of the United States are just as satisfactory to consumers as they are to retailers, because there are more consumers than there are retailers, and the consumers elect governments. If these fair trade laws had not proved to be more satisfactory to the consumers of the United States than the abolition of price maintenance, these 45 state governments would have been thrown out, and the fair trade laws would have been thrown out with them.

The fact that the number of state governments which have introduced fair trade laws has increased from one to forty-five in the past twenty years I believe demonstrates clearly that the overwhelming majority of the people in the United States are satisfied with the deal they get under fair trade laws. It demonstrates also, I submit, that both consumers and retailers feel that they get a better deal under these fair trade laws than they got during the period when resale price maintenance was abolished.

I do not claim for one moment that just because laws are satisfactory to the people of the United States they are necessarily the best for this country. But I do think it is important for us to remember that their economy and buying habits are very similar to ours. Therefore, I think we should examine most carefully their experience during the past half century, before embarking on any new legislation of our own. We are planning to take a step which they took fifty years ago, and which has proved to be unsatisfactory; so much so, in fact, that that step

has been almost unanimously revoked by the people of the United States.

If we are to follow the course which the government now plans to follow in abolishing resale price maintenance, we are going to turn the clock back fifty years. I believe that the committee which was set up to study resale price maintenance should be reconvened, and should give a thorough study to the fair trade laws of the United States to see if they could not be adapted to conditions here in Canada.

Having sat on the committee for approximately one month, it is my firm conviction that the legislation which the government now proposes is both hasty and ill-considered. I do not think any serious consideration was given to the views of those who opposed the abolition of price maintenance. I think it was obvious from the start that those who appeared before the committee opposing this present legislation were there only on sufferance. It was just eyewash that they were even permitted to attend, and it was obvious that whatever they had to say was not going to be taken seriously.

If we do not give this matter thorough investigation, we are going to get legislation which 150 million people in the United States have tried and discarded during a fifty-year trial period. Can we afford to ignore a lesson which has been learned by the most industrialized nation in the world today? I think the answer is an obvious and emphatic "no." Before embarking on this legislation, which I believe would be disastrous to the small shopkeeper, and which would not make any appreciable difference in the cost of living, as the Prime Minister (Mr. St. Laurent) has stated, we should give a thorough study to the United States fair trade laws which I believe are the answer to the problem facing us today.

They give the consumer and the retailer a better deal than they got under the abolition of resale price maintenance, and this has been proved by 150 million people in the United States. I would remind hon. members that the people of the United States are the same kind of people as we are. There is no appreciable difference between us; we like the same things; we buy the same things; we trade in the same way; we make our living in the same way; we enjoy ourselves in the same way.

If this government is going to refuse to give this matter a thorough study, it will simply be admitting that the legislation it is introducing is brought in for the political purpose of deluding the people of this country into thinking that the government is doing something to bring down the cost of living. It will be doing something to take the people's minds off the steadily rising cost of living, about which the government has done nothing to date. I think that that kind of motive will not make the people of this country think very highly of what we do in this parliament.

I recommend to the Minister of Justice (Mr. Garson) that before proceeding with this legislation, he reconvene the committee so that a thorough study can be made of the practices and the experience of the United States in connection with this matter during a period of fifty years. After that is done the government can decide what action, if any, is justified in this matter.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, since a subamendment has been moved perhaps if I should say a word at this stage it might shorten the discussion. I want to say immediately that what we were suggesting was not a fair trade law such as is in effect in several states of the union, but the setting up of a public board somewhat similar to the tariff board to which anyone could apply, retailer, manufacturer or consumer, to have his interest considered in public and if necessary protected. As the hon. member for Hamilton West (Mrs. Fairclough) has indicated, the fair trade law in the United States is really governed by agreements between manufacturers and retailers. The consumer's interest does not appear and is in no way protected other than in the manner in which she has indicated.

There is a great deal of dissatisfaction in the United States with their fair trade laws. I think it was Senator Tydings of Maryland who introduced a bill in the United States Senate to make this a federal matter. Sometime before he died, President Roosevelt denounced it in no uncertain terms, stating that it had operated against the consumer's interest and entirely in favour of the manufacturer.

There is one thing I want to say with regard to what the hon. member for Broadview (Mr. Hees) said a few minutes ago. He complimented the hon. member for York South (Mr. Noseworthy) and said that the hon. member for Vancouver East (Mr. MacInnis) had pressed for this legislation in the committee. I expect that is so. May I say that what I have moved is entirely in line with what my friend, the hon. member for Vancouver East (Mr. MacInnis), suggested, and I may say that before he left he saw the amendment, knew what we were doing, and approved of it. My hon. friend said that we have changed our position. I would point out to him that on November 6, the day on which

I spoke in connection with the reference of this matter to the committee, I made our position very clear. I spoke for our entire group when I made the statement that is to be found at page 782 of *Hansard*. After discussing the effect of resale price maintenance and the reference to the MacQuarrie committee I said:

> When we do legislate against resale price maintenance I believe the law should be strengthened in another particular, too. For I am equally afraid of the monopolies in the distributive field that are growing up in our country which may take advantage of what is called the "loss leader." That is also an unfair trade practice that should be dealt with according to the law equally with an unfair trade practice in relation to retail price maintenance mainly for the benefit perhaps of the manufacturer.

A little later I said:

> I think that is as much an offence on the one hand as resale price maintenance is on the other. If this goes to a committee—

We were then discussing reference to the committee.

> —and the legislation is enlarged in any respect, consideration should be given to that particular phase of retail merchandising, because I think none of us wants to play into the hands of powerful distributive monopolies in this country.

I said that on November 6. The position I have taken today is entirely in conformity with the position we took then, and indeed the reason we take the position we are taking today is that we took that position on November 6. We believe the evidence before the committee has confirmed that we were right in that particular. On the other hand, if our suggested amendment is not approved by the house I think it would be a mistake to refuse to accept the bill as it now stands because I think all agree that resale price maintenance as it operates at the present time is in effect a private system of price control operated by manufacturers and those not under control of the public in any respect, and consequently is against the public interest and should therefore be discontinued now. That is why we support the bill. We think it is defective in the particulars I have named, but I wanted to rise immediately to put my hon. friends right. We are not advocating the enactment of a fair trade law such as they have, I believe, in forty-five states of the United States. And we are not changing our position. It is the position that we took on November 6.

Mr. Hees: In order to explain my own position, Mr. Speaker, I was not claiming that the hon. member for Rosetown-Biggar (Mr. Coldwell) had changed his attitude. I was saying how nice it was to hear the change in the presentation made by the hon. member for York South (Mr. Noseworthy) this afternoon. We heard the hon. member for Vancouver East (Mr. MacInnis) speak a number of time in the committee on which I sat, and there has been quite a change, as anyone who was a member of the committee will tell you. I did not imply that the hon. member for Rosetown-Biggar had made any change. I wonder—

Mr. Deputy Speaker: Order. The hon. member has already spoken in this debate.

Mr. Hees: —if the hon. member for Rosetown-Biggar would permit a question?

Mr. Deputy Speaker: With the unanimous consent of the house.

Mr. Fournier (Hull): Put your question.

Mr. Hees: The hon. member for Rosetown-Biggar said that in his opinion the people of the United States considered these fair trade laws were unsatisfactory. How then can he explain the fact that the number of state governments that have put them into effect has increased from one to forty-five over a twenty-year period? He must realize there are far more consumers than retailers, and I should like to know in what way these fair trade laws are unsatisfactory to the consumers of the United States.

Mr. Coldwell: I cannot explain why forty-five states have them in effect, but I do know that the forty-five states enacted them one after another with great rapidity some years ago. I also know that President Roosevelt stated that this was one of the factors operating against the consuming interests of the country. Knowing something about the manner in which United States legislatures operate—well, I will refrain from expressing an opinion but we are not lobbied to the same extent.

Mr. Rodney Adamson (York West): Mr. Speaker, I want to make one suggestion with regard to this question of fair trade practices. I think the legislation has boiled down to this, that the one great fear of the small retailer is that the loss leader device will be used by his large volume competitors in order to depress the prices of certain goods and to draw trade away from the small retail outlet. I think that has been the main objection. Certainly it is the thing in my mind which worries me most about the government's legislation. It is the one thing I think we have to fear, and from all indications it appears to be the one thing that really worries the small retailer. It worries not only those in the drug line but also people dealing with a great many other lines of commodities which are sold to small retail and specialty shops.

It would seem to me that if some device could be evolved whereby the loss leader

could be either curbed or prevented, a great deal of the genuine fear in the minds of the people who are protesting the legislation would be removed. The fair trade board or fair trade device with which our amendment deals goes a long way toward assuaging the fear of the little man because it would, by regulation, agreement or various other devices, establish a price which would be a fair one to the consumer, and which would allow both the retailer and the wholesaler a reasonable profit. We must remember that the retailer and the wholesaler must have a profit. If that is done, then you not only have a fair price for the consumer but you have reasonable security for a tremendous segment of the Canadian population. I feel that in all fairness we cannot jeopardize the security of this very large segment of the Canadian economy. If a fair trade regulation were established it would, in my opinion, go a long way toward overcoming this fear. I am not going into the Miller-Tydings act, and the proposals in the United States congress. Neither am I going to discuss the Schwergman case or the other case which is known as the Wentling case, which were the two cases recently decided, one by the Supreme Court of the United States and the other by the federal court in Philadelphia under the fair trade practice laws. I merely want to say that there is to be another bill presented to the congress on fair trade practices, which has as its aim the making of fair trade a national and federal matter. I must say, Mr. Speaker, that despite what we may think of what goes on in the United States, nevertheless that country is governed by the law of the majority. The fact that these fair trade practices have received such an overwhelming endorsation by the various legislatures of that country is, I believe, something to which we must give serious consideration.

There is one more thing I want to say about this matter of prices, and that is that unless a manufacturer can get a large volume for his product he cannot profitably continue to manufacture. Therefore, it is obviously the first law of economics that a manufacturer must endeavour to get as high a volume for his products as he possibly can. He must price his goods so that they are acceptable to the large majority of his people. In other words, he must put them in a price range which enables him to secure volume. If he wants to stay in business he does not make his price to the consumer an artificially high price. He cannot do that, because he would go bankrupt. The questions of volume and price are interdependent, and as the price goes down the volume goes up in almost inverse ratio. There are different graphs and different patterns for different trades, but as a general principle it has been the reduction of price which has made the goods manufactured in America—I include Canada in that—so acceptable throughout the world. This low manufactured price has been a drawing card which has obtained universal acceptance for goods manufactured on this continent. Nowhere do you find such universal acceptance of the goods of any one continent as you do the goods from North America. The basis of that acceptance is the economic rule to which I have just referred. Goods which are individually and exquisitely made in Europe are sold in a limited market because they are unable to overcome the challenge of the volume price relationship.

I have here, Mr. Speaker, a code which I propose to read because I think it is of interest to the house in this debate. It is the code of the national retail dry goods association of the United States and contains eight clauses. I am quoting from a publication issued by the fair trade association of the United States. It says:

> Eight principles have been recommended for "effective manufacturer-retailer fair trade arrangements" by the vendor relations committee of the National Retail Dry Goods Association. While noting that NRDGA has taken no official position on fair trade, Irwin D. Wolf, committee chairman and vice-president of Kaufmann Department Stores in Pittsburgh, said the principles were designed to do the following: "make an important contribution toward effectuating the purpose and intent of the several fair trade state acts and the Miller-Tydings amendment to the federal anti-trust act."
>
> Cautioning that any action under fair trade agreements must be individual and independent, the NRGDA group proposes that:
>
> 1. A vendor should provide a fair and equitable mark-up for retailers and continue historic discounts and other allowances;
>
> 2. Retailers should be required by a vendor to agree in writing not to resell fair-traded goods at less than the stipulated fair trade price. Wholesalers should be required by a vendor not to resell to retailers unless the latter agree in writing to maintain fair trade prices.
>
> 3. Vendors should guarantee to take all necessary action to protect all retailers signing fair trade agreements from price cutting or other predatory practices on the goods covered in the agreement. If the vendor fails to take such action at once, after written notice from the retailer, the latter may cancel the agreement.
>
> 4. Any fair trade agreement required of one retailer should be required in identical form from all competing retailers and any benefits should be equally extended to all dealers.
>
> 5. All fair trade agreements should provide for termination on notice by either party to the agreement. A vendor should have a 10-day option on buying back a retailer's inventory if the latter wishes to cancel. After 10 days, a cancelling retailer's obligations would be automatically void with respect to the fair trade agreement.
>
> 6. On fair-traded seasonable goods, retailers should be permitted, by agreement, to clear stock for a specific period at season's end, provided that

trade marks or other brand identifications are removed. A vendor should also have the option of repurchasing such goods.

7. In any fair trade agreement, a vendor should have the right to adjust prices at any time, on a minimum of 10 days' notice. If this requires repackaging or other changes in the retailer's inventory, the vendor should supply the materials without cost at 10 days before the effective date of the price change.

8. Where a retailer has a regular policy of employee discounts, they should be permitted on bona fide employee sales.

I merely mention that report to indicate the sort of agreement which is being considered now in the United States. I do not say that, in all its proposals, that is desirable; but it gives an idea of the general basis for fair trade practices. I have said before, Mr. Speaker, that with this safeguard of fair trade regulation the fears, as the brief says, of predatory raids by large retailer outfits are practically overcome.

In conclusion, Mr. Speaker, I wish to lay these suggestions before the house because I recognize the desire to have a fair price to the consumer. Actually, without a fair price to the consumer nothing would be sold. As I said, the whole basis upon which our prosperity has been built has been the build-up of the price-volume-cycle of growth or the price-volume-equation of goods. If we are not to be allowed to have some safeguard against the loss leader, I believe we should not jeopardize the retailer by abolishing what, to him, is his one great safeguard for orderly, reasoned and competitive marketing.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to say a few words in support of this amendment which has been moved by the hon. member for Hamilton West (Mrs. Fairclough) and which I have had the honour of seconding. We have reached the stage where I think it has become perfectly obvious that the government intends to put this legislation through the house. I am not going to go any further than that. I believe that is a fair statement, namely that it is obvious that the government is determined that this legislation is to pass, sooner or later.

Mr. Fournier (Hull): You never doubted that.

Mr. Fulton: Perhaps the Minister of Public Works (Mr. Fournier) is right that I may never have doubted it. I never doubted that they had the intention to pass it; but at one stage I hoped that they were open to conviction, that they had an open mind on the matter, and that it would be possible to convince them by the reasonable and solid arguments which were brought forward in support of the proposition that the legislation should not pass in its present form.

[Mr. Adamson.]

Mr. Fournier (Hull): You have not spoken long enough.

Mr. Fulton: What I am saying, Mr. Speaker, is that it has become obvious that they do not agree that the legislation should not be passed and that they are insisting on putting it through in its present form. If they will not adopt our suggestion that the legislation should not be proceeded with at the present time while further consideration is given to the actual form and effect of the bill before us, I feel that we are justified in urging that they should give consideration to the enactment of concurrent legislation which will protect the retailer against the danger which is bound to arise and to which he is bound to be exposed if the legislation goes through in its present form.

I was therefore greatly interested in the amendment proposed by the leader of the C.C.F. party this morning. As a matter of fact, I have been awaiting that amendment with interest ever since he announced that he intended to present it; because one of the things that we ourselves urged in the committee, and again in the house here, was that consideration should be given to the desirability of passing some form of fair trade practice legislation, and that time should be allowed for such consideration. When the hon. member for Rosetown-Biggar (Mr. Coldwell) announced on Tuesday his intention to introduce an amendment, from what he then said I thought he had in mind the urging of consideration of some form of legislation similar to the fair trade laws of the United States. But from the form of his amendment and from the statement which he himself made after he had actually presented it today, it becomes apparent that the type of legislation which he is advocating is not legislation similar to the fair trade laws of the United States.

Mr. Coldwell: Will the hon. member permit a question?

Mr. Fulton: Yes.

Mr. Coldwell: The hon. member has read what I said in the debate of November 6. The words I used in the suggested amendment and the words I used today in the amendment are the same.

Mr. Fulton: Yes. If the hon. member has taken from what I have just said any indication that I am saying he has reversed his position, I apologize. That was not my intention.

Mr. Coldwell: Oh, no.

Mr. Fulton: I am simply saying that, based on what he said on Tuesday, I had thought that his amendment might suggest something similar to the fair trade laws in the United States; but it does not.

We were interested in this amendment moved by the C.C.F. party particularly for two reasons; and I am saying this admitting the full force and effect of what the hon. member has said, namely that if his amendment is defeated he still proposes to vote for the bill. Nevertheless it is obvious from reading his amendment, and I think it is obvious from what he has said himself, that he believes the bill should not be proceeded with until this concurrent legislation can be considered. But he has said that if the government rejects this suggestion of his, then he will support the bill. Therefore I think it is fair to say that the C.C.F. party agrees with us that the legislation should not be put through without an opportunity for further consideration; and particularly, from their point of view, without an opportunity of studying and considering the type of legislation that he and his party have in mind. And of course from our point of view we would like to study and consider the type of legislation which we have in mind as one answer to this problem. Therefore we both agree on the desirability of delay and further study and consideration of some alternative answer to the problem which has been considered.

Their amendment is, I believe, significant secondly because it indicates that the C.C.F. party also feel that the retailer is entitled to some form of protection, in that there is grave danger that he may be seriously prejudiced—I would go so far as to say irreparably damaged—by the legislation now before the house, if it is passed in its present form without any concurrent legislation. Therefore I believe I am right in saying that to the extent of the two points I have just mentioned, the C.C.F. party and ourselves are in agreement. But as the hon. member for Hamilton West (Mrs. Fairclough) has said, we cannot ourselves subscribe to a proposal which would involve the proposition of a system of price control, or of government control of retail or resale prices. It was because we saw in the amendment of the hon. member for Rosetown-Biggar the very definite indication that this interpretation would be correct that we felt we should make our own position clear by moving a further amendment to the amendment offered by the C.C.F. party. Our amendment preserves that portion of the C.C.F. amendment which says the bill should not now be proceeded with. I should like to make our amendment clear by reading what would be the whole motion if the original amendment of the C.C.F. party were amended as we have suggested. If our amendment were adopted the amendment would then read as follows:

> That Bill No. 36 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for the establishment of a fair trade commission.

If the proposition is as I stated earlier, that the C.C.F. party is in agreement with us firstly that this legislation should not be put through without further consideration and, secondly, that the retailer is entitled to some protection, I am hopeful they will find it possible to support our amendment.

I should like to refer to some figures which were placed on the record this morning by the hon. member for Rosetown-Biggar as to the course and progress of this debate. He referred to the number of speakers in the debate and the length of time occupied. Well, I made my own calculation of this matter and I think, as a matter of fact, I make it slightly higher than he did. He said there were 26 speakers on the motion for the setting up of the committee. My calculation makes it 27, but I am not going to quarrel with him over one more or less. He said there were 29 speakers so far in this debate on the proposed legislation itself on Monday, Tuesday and Wednesday. I make it 30; but again I am not going to quarrel with him over one more or less.

Mr. Knowles: There have been two or three since.

Mr. Fulton: I am referring to the speakers up to the time the hon. member for Rosetown-Biggar spoke. I would like to point out that actually the debate we should consider first is the debate now taking place on the bill, because although we did discuss the proposal to refer the MacQuarrie committee's report to the committee, we did not know what the legislation would be, did not know the form of it. I do not think it is quite fair to say there have been 30 plus 27 speakers taking part in this debate. I think it is more correct to say that there have been only 30 speakers taking part in this debate up until today. But even taking the two figures I should like to point out to you, sir, that during this session we debated the speech from the throne on 21 days. There were 187 speakers. During the course of the debate there were seven amendments and ten divisions.

Mr. Speaker: Order. I hesitate to interrupt the hon. member, but I do not see how that can have any relationship to the bill or to the subamendment.

Mr. Fulton: Mr. Speaker, with respect, may I draw Your Honour's attention to the fact that in the course of his remarks this morning the hon. member for Rosetown-Biggar

referred to the length of this debate and the number of speakers who have taken part in it. I am not suggesting that the number of people who took part in the debate on the speech from the throne is relevant to this bill. I will be very brief. I am just dealing with what I thought was an inference of the hon. member, or the suggestion which emerges from the remarks of the hon. member for Rosetown-Biggar, that this matter had been really pretty adequately debated already. The point of my remarks and of the comparison I have just completed was that in view of the length of time devoted to the speech from the throne and the number of speakers who took part and the number of amendments and divisions, there having been no suggestion at any time that that debate was unduly protracted or the subjects there discussed at too great length, I hardly think the suggestion, if such was contained in his remarks this morning, should properly apply to the debate on this measure, which in my view is the most important to come before the house in a very long time.

In the course of consideration of this bill and these amendments I think it is important for us to bear in mind the question of the interest of those affected. This morning the hon. member for Rosetown-Biggar mentioned some of the organizations which submitted opinions opposed to the present practice of resale price maintenance, and therefore he said favouring this legislation. I point out that none of the briefs presented was favourable to the government legislation because none of them knew what the form of the legislation was going to be. I think it correct, however, to say that the briefs did indicate they were opposed to the present practice of resale price maintenance. But, Mr. Speaker, I believe it is also correct to say that every one of the briefs, even those opposed to the practice, did make it abundantly clear that in their view it was urgent that there should be some protection for the retail merchants against the dangers of loss leaders and unfair competition to which they would probably be exposed, if the price maintenance practice was eliminated.

I make one exception there which I think I should make, in the interests of accuracy, and that is the brief submitted by the Canadian Congress of Labour. In his evidence, as set out in that brief, Dr. Forsey said he did not regard the matter as one of urgency, because in his view and in the view of his congress the likelihood of harm resulting from the abolition of resale price maintenance was not very imminent. But I think that is the only exception to the statement I have made that the briefs submitted, even on the part of those opposed to the practice, made it clear that they felt it was urgent and vital that if resale price maintenance was to be eliminated, then the retailer should be protected.

I should like particularly again to emphasize the brief submitted by the trades and labour congress, and also the evidence given by Mr. Bengough when he appeared before the committee. In answer to a question as to whether he thought if we outlaw price maintenance we should provide for protection against loss leadering Mr. Bengough said, as reported at page 372:

> I think it would be vital it should be done.

I wish also to emphasize that the trades and labour congress in a most responsible brief, a brief which contained measured and well-considered language, indicated that although on the whole they felt that the system of price maintenance as at present practised should not be continued, they made it abundantly clear that they felt it should not be eliminated carte blanche without any other protection to the merchant. They felt it should not be eliminated until some other form of protection for the retail trade had been fixed. As I say, while they say that on balance they are not in agreement with the system of price maintenance, they make no wholesale condemnation of it. They said, in effect: We recognize the necessity for it. We recognize the necessity for protection. We recognize the steps by which this practice has grown up. We recognize it has grown up simply as a protective device worked out by retail merchants themselves.

May I draw your attention particularly to that part of the brief of the Trades and Labour Congress of Canada, where, at page 382, they say:

> Working people learned very early in the industrial period that, despite the law and the attitude of the state, it was necessary to combine to protect themselves, their families and their interest. Perhaps, from the employers' point of view, some combination is necessary for their protection regardless of the attitude of the state. While we may all agree that private arrangements such as resale price fixing which restrict a free economy and the competitive flow of prices and goods are undesirable, it may still be true that economic necessity, as that is experienced by the person, or organization directly involved, may dictate that some such arrangement is imperative. Under such conditions it would seem readily apparent, that failing provision of some social control facilities by the state, private groups and organizations within the economy will at all times act for their own protection and self-preservation.

Mr. Speaker, nothing I think could put the matter more clearly than those well-considered words of the Trades and Labour Congress of Canada. They recognize the fact that this system of price maintenance has grown up and has been designed by merchants and

retailers simply as a method of self-protection against unfair competitive practices and enormous power in the hands of giants in the distributive trade, against which they have found themselves individually powerless to protect their position, but against which they found an effective answer, and the only effective answer, in the practice of resale price maintenance.

That being the case, I submit it is a reversal of history, a turning back of the clock, a retrograde step to the laws of the jungle to take away the protection of resale price maintenance and throw open the doors —and do not let us be prisoners of words— not to free competition, in the assumption that this must always be a benevolent process, but to throw open the doors to cut-throat competition, to unfair trade practices—

Mr. Coldwell: That is capitalism.

Mr. Fulton: Do not talk nonsense. It is not capitalism, and you know that well—which we would be doing by eliminating resale price maintenance, without providing some alternative form of practice. May I point out that there is a vast difference between private enterprise and laissez-faire, unrestricted, unfair competitive practices.

Mr. Noseworthy: What kind of enterprise is that?

Mr. Fulton: The whole course of our laws under the capitalist system over the last fifty or one hundred years has been, in this field, in the direction of eliminating unfair competitive practices. The whole purpose of combines legislation, which has been supported by all parties in the house, under the capitalist system is to prevent the abuse of power. We in this party are opposed to the abuse of power, whether it be by private individuals or by the state. We are always in support of those laws which will set limits to the abuse of power and make possible the exercise of freedom by the small man, while at the same time preventing the large man from finding it possible, in the pursuit of his livelihood under a so-called free competitive system, to crush the small man out of existence.

As I say, that has been the trend in our laws in this field for the last fifty or one hundred years. It has been the trend of the marketing laws, both federal and provincial, which we have devised. Those marketing laws are designed not only to provide for orderly marketing, in the literal sense of the term, but I think it must be admitted that they are designed to protect the weak against the strong. They recognize the fact that the individual farmer, with his limited economic power—that is, the small farmer—is unable to stand up against the large or unlimited economic power in the hands of other farmers as well as in the hands of industrial concerns.

Recognizing that the farmer cannot survive in all cases by himself, our marketing laws have been designed to enable the weak to survive against the strong, and also to prevent to some extent what might be described as natural forces from operating to the extinction of the individual.

I do not intend to pursue at greater length what might be described as the theoretical line of argument. I do believe, however, that it is important to recognize the fact that this has been the trend in our marketing laws and in our combines legislation. That has been its design and purpose. And in the light of those facts, to talk of this system of price maintenance as something that flies in the face of our competitive system, to hold it up as something designed to increase the power of some people in the state rather than something designed to protect the small man, is simply to beg common sense.

It is true that what we have done by legislation in the field of agricultural marketing, and what we have done by legislation in the field of labour unions, the retail merchants have done in their own field by their own system of resale price maintenance. But as the hon. member for Brant-Wentworth (Mr. Charlton) pointed out this morning, to eliminate resale price maintenance without substituting something else is to turn back the whole course of history and give rise to the very serious probability that we will also be opening the door to giving powerful commercial firms the protection the farmer now has, by inviting the powerful commercial packing firms to ask that the protection the farmer now has under our marketing legislation should be eliminated so that the farmer, too, may be exposed to the threat of powerful big interests in this country. That situation is, I submit, one which the Minister of Agriculture (Mr. Gardiner), the Prime Minister (Mr. St. Laurent) and every responsible minister and member of this house must look upon with most serious misgivings. In my view, if nothing else were required that alone would justify us in pleading with this government not to push through this legislation before they have provided some alternative protection for the small man, before they have provided something to which he can turn so he will not be left at the mercy of powerful big interests in this country who are so solidly behind the present legislation.

When the Prime Minister spoke on this subject this morning he repeated the arguments which have been made before, namely that the answer to the arguments of those

in both the C.C.F. party and the official opposition who say that you should not eliminate price maintenance without giving some other protection to the small merchant is to be found in section 498A of the Criminal Code. I am not at this stage going to repeat the references I made earlier to the opinions of highly qualified Liberal authorities with respect to the efficacy of section 498A. But I do want to emphasize that those authorities, a former minister of justice and Colonel Ralston, a prominent Liberal lawyer, stated in most categorical terms that the section would not provide the protection which it was hoped it would.

I want to emphasize the opinion of one who it must be admitted has had more practical experience in the field of anti-combines legislation than anyone else. Mr. Fred McGregor said that it had not been possible in the course of all their struggles with the problem to devise effective legislative protection against loss-leadering practices. At no stage in the course of all his evidence before the committee, either in the reading of his brief or in the answers he made to searching and exhaustive questions which were directed to him as to the dangers of loss leaders, did Mr. McGregor say that section 498A was the answer. Nor did Mr. McGregor at any stage say that prosecutions had been instituted under section 498A, because in fact no prosecution has ever been brought under that section.

It seems to me that the experience as well as the opinion of these highly qualified observers and experts in this field indicate that section 498A is not going to be the answer tomorrow, any more than it was the answer yesterday; and that the only protection the retail merchant now has against the practice of loss leadering and against the power of the big monopoly interests is his own system which he has worked out of resale price maintenance.

We are prepared to recognize that there are questions of policy as well as questions having a practical effect which make it questionable whether it is desirable to leave the protection of resale price maintenance in the hands of private individuals. We sat in the committee and moved a resolution that consideration should be given to enacting legislation along the lines of the fair trade laws in the United States as one answer to this problem. We repeat that here.

We are not quite able to agree with the amendment put forward by the C.C.F. party because it looks to us a little too much like a system of government price control, but I think I would be correct in saying that we do appreciate their thought that there must be some other form of protection for the merchant if this form of protection is removed.

Since this matter is now before the house we in no way modify our position that the legislation is being proceeded with with undue haste and after insufficient investigation. We in no way modify our statement that it is suspicious that the legislation should be pressed for and urged by the most powerful interests in the retail field in Canada and opposed by every one among the thousands of independent retail merchants. We do not modify either of those positions. We do say that if the legislation goes through in its present form without any other form of protection having been provided, the government will be playing into the hands of big business.

We again entreat the government to delay for a short while the enactment of this measure while they look into the possibilities of providing a form of public protection or protection through public laws which the merchant now finds exclusively under the private system of resale price maintenance. For that reason we ask that the legislation be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for a fair trade commission.

If the government has at heart the interests of the small men, or I will put it this way: Unless they are prepared to say that every opinion expressed by independent merchants is not worthy of consideration or is not an accurate expression of the views which they put forth, then I say they cannot in good conscience reject those pleas and proceed with hardened minds and hearts down a road which will result in the enactment of the bill in its present form.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the motion now before the house as amended would give an opportunity to all hon. members to express their opinion as to whether time should be given for the consideration of this problem, without fixing any definite time limit, and also whether consideration should be given to the setting up of a fair trade commission. It will be recalled that when the leader of the C.C.F. party introduced his amendment this morning I asked certain questions which were intended to clarify the real intention of that amendment. It was not particularly clear in my mind even after he had answered as to what was intended. However, this afternoon he has cleared up what is the thought behind this basic amendment. He

has told us since the subamendment was moved that he is not advocating a fair trade law and fair trade practices—

Mr. Coldwell: As in the United States.

Mr. Drew: —as in the United States and as contemplated here in legislation actually introduced into and passed by this parliament on earlier occasions. He is urging the setting up of a board which would take the responsibility of establishing prices at which goods are to be sold. That is quite contrary to the well-established and well-tested fair trade practices which have been developed over the years in the United States and which we have tried to put into effect here.

I do not think we should apologize at any time for examining what they do in the United States, because in so far as trade practices are concerned their whole system is so similar to ours, or shall we say that ours in many ways has become related to theirs, that the methods they find desirable may well be found very desirable here also. In that regard I wish to interject the comment that I am not suggesting now, and I do not believe I ever shall suggest, that we should simply follow the United States in the things they do because of their size or wealth, but rather we should recognize what they do in dealing with problems similar to our own with an acceptance of the inescapable fact that in this stage of the world's development their trade and commerce exceeds that of any other country in the world.

What we are doing is placing before the house a subamendment which would ask hon. members to support the suggestion that consideration be given to the setting up of a fair trade commission. We do not attempt to draft the bill. That is not our responsibility; but may I also say we do not believe the government is in a position to draft such a bill at the present time. We are not asking that the drafting of this bill conform to the views of any particular group in the community. What we do say is that the bill should be drafted with a full recognition of the general welfare of the people of Canada, and most of all of those who in their day by day activities are bound to deal with the small merchants throughout the country who give that intimate daily service which has become very much a part of the life of our people.

I had hoped that the subamendment actually interpreted the views of the C.C.F. party, since we had not been able to interpret their own explanation; but as it does not then we certainly hope that, inasmuch as we are only asking for consideration of a fair trade commission, and since one of the spokesmen for the C.C.F. party has made it clear that he does not think this measure should pass—in fact the leader of their party has made that clear—we hope they will support the subamendment. I notice that the leader of the C.C.F. party, without actually raising any question, indicates that he does not approve of what I have said as to his being concerned about its being passed at this stage. It would be a strange thing for him to introduce an amendment which says that the bill should stand for further consideration, and at the same time tell us that it should pass.

Mr. Coldwell: May I just state that the only way the amendment could be drawn was that the bill should "not be read a second time now."

Mr. Drew: I had hoped it meant actually what it said, that further consideration should be given. I would point out to the leader of the C.C.F. party that the purpose of the amendment he put forward cannot be carried into effect unless there is time for further consideration, because he is proposing certain measures which obviously have not been dealt with yet in the house. However, I am not seeking to put words in his mouth, and if it is a fact that he thinks it is quite proper to deal with this legislation I accept that. But I would point out that the hon. member for York South (Mr. Noseworthy) does not hold that opinion.

Mr. Coldwell: Oh, yes.

Mr. Drew: The hon. member for York South said: "I do not know what the government is doing, rushing this legislation through." That is what we are saying. We just cannot understand it. We have not heard any evidence yet which supports the haste that is indicated. We have not heard one word uttered in this house suggesting a single reason why the legislation could not stand over until the next regular session of parliament so that an adequate opportunity might be given to consider it. I would point out further that the hon. member for York South made an extremely interesting statement which I wish the C.C.F. members would bear in mind when they vote on the subamendment as well as their own amendment. He said—and I believe I am using almost his exact words, but in any event I believe I am accurately paraphrasing what he said—it is general knowledge that large businesses and chain stores will drive small retailers to the wall unless measures are taken to prevent that being done. That is exactly what we say.

We say that the bill simply prohibits, without any consideration with respect to public necessity, any agreements as to maintained

prices, and that that is a dangerous thing. We say it is an improper thing, and we say there should be some way by which the possibility of smaller businessmen being driven to the wall can be obviated in any legislation that is put before us. In that respect I am not forgetting at all that there was a recommendation by the committee that if, as a result of the passing of this measure, abuses followed in the form of loss-leader activities or improper price cutting the government should vigorously enforce section 498A of the Criminal Code. I would have liked to hear more about the reason for the inclusion of that recommendation. It is a recommendation that the government do something it should be doing anyway.

This government should not require advice that it should enforce the criminal law or any section thereof. Of course we must remember that the committee was doubtless aware of the fact that the minister now in charge of enforcement had failed to deal with the requirements of the Combines Investigation Act which we now have under consideration. Doubtless they were somewhat worried that his sympathy with big business on that occasion would be reflected in his attitude toward big business in the future, and that he would not likely do anything that would interfere with big business inasmuch as he protected the flour milling combine by actually withholding publication of the report to the stage where prosecution became impossible. Perhaps that is the explanation of that recommendation.

Mr. Fulton: It is the only reason.

Mr. Drew: I should think it is the only reason that is discernible. But surely that is rather blissful optimism on the part of the committee or anyone else—and of course when I say the committee I mean the directed majority which really put forward the report, because it was not unanimous—when we remember the length of time section 498A has been in the Criminal Code, and that there has not been a single prosecution by this government thereunder. Are we to believe that never in all these years has there been a single case where loss-leader practices, unfair price cutting or any of the things covered by section 498A has occurred? If business transactions in this country are being conducted on a basis as pure as that, why then are we being asked to take an axe to the whole commercial structure that has been built up? In effect we are told on the one hand that Canadian trade practices are so good that there has been no need to employ section 498A, and on the other hand we are told that we simply must ban this practice which has become so much a part of our commercial structure. Granted they are not related to the same thing, but they are two parts of the same problem. No; it would certainly be a great optimist who would think that at this stage we could suddenly hope for great results from section 498A under this government. I am satisfied that section 498A has all the power necessary to deal with this problem if there is abuse of the public interest. I am satisfied that section 498A could have been used with great benefit in many cases where it has not been employed. But there again we have evidence that this government has obviously no faith in its use.

There is another aspect of section 498A which I would point out. In that section there is no unqualified provision that certain things cannot be done, of the nature contemplated in the legislation now before us. It would seem to me that part of section 498 which precedes 498A provides that nothing shall be done to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply of any such article or commodity or in the price of insurance upon a person or property. Those are related sections. On the one hand there is a section that prohibits certain practices, and on the other hand the section dealing with price discrimination. Surely between section 498 and 498A there was ample power to deal with any arrangement under which there would be price discrimination or agreement in regard to price that would be injurious to the public.

In any event the fact remains that section 498A, which is the section concerning price discrimination, has never been enforced at any time by this government. Consequently it cannot, by itself, be regarded as an adequate safeguard for the small merchant who would be affected by the legislation now before us. This is simply a bald statement that practices which have been in vogue for fifty years or more shall be discontinued, and that failure to discontinue those practices shall, in itself, constitute an offence punishable by the courts. If some dangerous growth threatens the human body there is always one simple way the doctor can end the threat that the offending growth will extend to other areas; he can shoot the patient.

Mr. McCann: That is not common practice.

Mr. Drew: That will cure it for all time. As the Minister of National Revenue (Mr. McCann) has said, that is not common practice. It is usually regarded as unethical for the doctor to take such a drastic course to

end the threat of an offending growth in the body. On the contrary the established practice, as the Minister of National Revenue so well knows from his own experience, is to use medical experience and surgical skill to remove the growth which is causing concern. I suggest that what is being done here is an attempt to cure a growth, to which there is certainly objection if it is injuring the body of our national life; but the answer is not to shoot the patient, which is what is recommended in this bill.

We are suggesting that the more commonly accepted practice be employed, and that there be an opportunity to examine this problem from the point of view of the general welfare of our people. I know it will be said that there was a commission on this subject some years ago, and there was a committee. It will be pointed out that we now have the MacQuarrie committee, and also that a committee of the house was appointed to examine the report of that MacQuarrie committee. All the results of these investigations are before us, and we have the advantage of their recommendation. I hope that, at this stage of the session and at this stage of the discussion, no hon. member of this house including the minister who is putting this measure forward will suggest that there has been complete, adequate and impartial inquiry into the facts. In his brief remarks today concerning this measure the Prime Minister (Mr. St. Laurent) said he thought we should await a further report of the MacQuarrie committee before adopting other legislation, but that in the meantime section 498A could be employed to deal with any abuses that might occur.

I suggest, Mr. Speaker, that what the Prime Minister has pointed out is that there was only an interim report, and that the interim report was examined by a hobbled committee. The hobbled committee brought in the report which it was directed to bring in, and we have before us now no real evidence on which to form an opinion as to what should be done in the interests of the people of Canada. It is the people of Canada whose welfare is under consideration in this case. We have been urging that this measure should stand. We introduced a motion that would call for six months' delay in the consideration of this measure. I am still convinced that would be the wisest course, and I am satisfied there are a great many hon. members on the other side of the house who are satisfied that would be the wisest course. I would point out that we have had speeches by Liberal members, and that three of those speeches indicated real opposition to the provisions in this bill. I grant that there have not been as many speeches from the Liberal ranks as might have appeared appropriate in relation to a measure as important as this.

I heard some discussion about the number of speeches that had been made, as though there was some ground for criticism in that fact. Some emphasis was placed upon the number of Conservative members who have spoken in this debate. Mr. Speaker, this is parliament. The word itself indicates what this is supposed to be. The word is derived from the French *parler,* to speak. This is a place where members are supposed to express their opinions in the hope that others might be persuaded to change their views, and to come to a conclusion which will be related to a genuine exchange of ideas. The moment it becomes an accepted proposition that opinions are not changed by arguments in this house we might just as well stop having members come here; simply put a dummy in each chair, with a particular colour to identify the party to which he belongs; then just have one person, representative of each party, who on each particular occasion will indicate how the dummies will be called upon to express their votes in relation to any measure that is before the house. That is, in effect, what we say the moment it is even suggested that speeches are not desirable in this house and that no opinions are changed by the speeches that are made.

This is not intended to be a chamber of silence. This is intended to be a place where the business of the country is done by informal and free debate about the merits of the various measures that are introduced. It would be a great deal better if we had heard from most of the Liberal members, because this is something that affects every community; it affects every part of this vast country. But I would point out that by far the most effective speeches made by the Liberal members, including that of the minister who introduced the measure, were the three speeches made in opposition to this bill. There was the speech of the hon. member for St. James (Mr. Beaudry) who coined an expression which on this day, getting close to Christmas, I shall not repeat —at least not today. Then there was that of the hon. member for Comox-Alberni (Mr. Gibson) and that of the junior member for Halifax (Mr. Balcom) who indicated quite clearly why he did not think this was a good measure. But there have been only a few speeches from other Liberal members in regard to this subject. However, Mr. Speaker, those speeches which were made—

that is, those in support of the measure other than that by the minister who introduced it and that by the chairman of the committee, which were simply stating formal ideas in support of the bill—were useful speeches. One of those speeches was by the hon. member for Wellington South (Mr. Hosking); and I think it was an extremely useful speech. He indicated why it is so important that this measure should be delayed and the members should have a chance to consult their constituents before they vote on it. On December 18 the hon. member for Wellington South had this to say, as reported at page 2170 of *Hansard*:

> After I received a few telegrams from various business people in my riding I spent some time making inquiries to find out whether any of the small shopkeepers who operate their own individual businesses on the corners of my towns and cities had made any representations to have price maintenance brought into effect. I could not find an instance where one of the small shopkeepers had suggested that they wanted or had instigated price maintenance. Thus I must assume that although at the present time they are under the operation of price maintenance, it was not instigated at their request; and since it was not instigated at their request I started to figure out who wants this thing.

You will recall, Mr. Speaker, that he said he had explored the situation, that he had made inquiries from small shopkeepers and had not found any of them who really wanted price maintenance. I have mentioned that matter because it was a most definite statement by a member of the Liberal party that he had actually consulted his own constituents and his own small retail merchants in order to find out whether or not they liked this legislation. Many of the members in this house might well have been affected in their thinking about this subject by that strongly stated opinion. I therefore think that it is of importance that the members should know how greatly at variance that statement was with what the shopkeepers in Guelph thought. I have here a telegram, and I am glad to see that the hon. member for Wellington South has entered the house and will hear me read it. This is a telegram from the Guelph Retail Druggists Association, signed by F. E. Wagner, president. It is dated Guelph, Ontario, December 20, and reads as follows:

> We resent statement by Henry Hosking that "he had made a survey of the retailers in his own constituency and found that none of the small retailers had complained about the government's bill on retail price fixing." This is deliberately misleading. Telegrams protesting the Garson legislation were sent to him by many Guelph retailers on October 16—

Mr. Speaker: Order. I doubt if a statement from outside the house is allowed to be read contradicting what a member has said in the house. See Beauchesne's third edition, paragraph 259.

[Mr. Drew.]

Mr. Drew: Mr. Speaker, if there is any objection taken to it I shall of course abide by your decision.

Mr. Hosking: Let him read it.

Mr. Drew: As the hon. member for Wellington South has indicated that he wants me to read it, perhaps you will allow me to continue, Mr. Speaker.

Mr. Fournier (Hull): I do not think the hon. member would want to be out of order.

Mr. Drew: Oh, no. But I would be happy to comply with the wishes of the hon. member for Wellington South.

Mr. Speaker: I can only allow this procedure with the unanimous consent of the house. Is there unanimous consent?

Mr. Fournier (Hull): No. I do not know that, just to meet the wishes of the hon. member, the hon. gentleman should be allowed to be out of order. I know he would not want that himself.

Mr. Drew: Since this is a telegram of which I would assume the hon. member for Wellington South probably has a copy or has a general interpretation by another telegram, I would have thought that perhaps it might be put on *Hansard*, since he is in the house and can challenge its accuracy if it in any way misinterprets what has been put forward.

Mr. Fournier (Hull): No. If the hon. gentleman has a copy of the telegram he does not need to have it read in the house. He knows what is in it.

Mr. Hees: We should like to hear it.

Mr. Speaker: I do not think I should allow a controversy between people who are outside of the house and those who are in the house.

Mr. Drew: May I say that from several telegrams I have received from merchants in Guelph and in Wellington South it is quite clear that the statement made by the hon. member for Wellington South clearly failed to indicate what is the real attitude of the retail merchants in that constituency. I am raising this point now simply to indicate how desirable it is that the members have an opportunity to consult their constituents and meet the retail merchants in their home communities. I am hopeful that when they are given that opportunity after this house adjourns, whenever that may be, they will find ample occasion to meet them and find out just what they really think about this measure. That procedure will help many hon. members in forming their opinions when they are called upon, at some date in the future, to vote upon this bill.

Mr. Hosking: I rise on a question of privilege, Mr. Speaker. Since I have come under discussion, and since I allowed to stand in *Hansard* one word which I should have had deleted, namely the word "wanted", I should like for the information of the leader of the opposition (Mr. Drew)—and I imagine he is not trying to be facetious—

Mr. Drew: Oh, no.

Mr. Hosking: —to state that I said—and most of the hon. members in the house realize that is what I meant—I had received some few telegrams objecting to this legislation. That was my inference in the first instance. I then said that I had inquired from many small shopkeepers who were enjoying some form of price maintenance in the products they sell at the present time whether they had instigated the practice of price maintenance; and in every case they said they had had nothing whatever to do with its instigation. It was therefore something that was thrust on them. Perhaps at the present moment they are enjoying some benefits, but as time went on they would reap the disadvantages which must necessarily come from it. While that is going on all the purchasers of course would suffer at the same time.

Mr. Drew: Mr. Speaker, the hon. member for Wellington South has indicated he feels that perhaps he would have wished to slightly vary the statement he made at that time; but the fact remains—

Mr. Hosking: Just delete one word.

Mr. Drew:—it was in relation to the statement he did make, as reported, that these objections were taken. In any event I hope the hon. member will have ample opportunity to meet the retail merchants in Guelph when he returns. I do hope he will be able to return for Christmas day, and on that occasion he will be able to find out just exactly what they do think about this matter. I also think that it will be extremely helpful if other hon. members have that opportunity. That is why I so strongly hope that even at this stage of the session the government will decide to withdraw this measure and hold it over until the next session. By doing that they could still use whatever time remains while we are here on this occasion to deal with other very important matters that are still on the order paper.

I do want to assure the members of the government and the members of this house that we are opposing this measure in the belief that it will do great injury to the people of Canada if it becomes law. In this we are fighting what we believe to be the cause of the people of Canada. We believe we are fighting against monopolies which would be created by this legislation now before us.

A suggestion has been made that opposition to this measure indicates the support of big business. What a travesty; what a complete perversion of the facts. The fact is, as the hon. member for York South pointed out, there is no doubt that if this measure becomes law, without the most adequate safeguards against loss-leader transactions and unfair price cutting, the small merchant will go to the wall. That is what he said. That is what many of us believe. We have pointed out that the only safeguard that remains is the dusty weapon which has never been taken off the shelf by this government. They are prepared to shoot the patient with another weapon, but they are not prepared to use the weapon that already exists, and which could keep away the offender who might really do some harm to the Canadian people if there were any wrongdoing of this kind.

It is so easy to suggest that big business would be opposed to this measure. Well, we saw what big business thought about this. We saw what the biggest business in Canada thought about it. I wish to qualify that remark by statements I have made before. I for one do not believe that bigness of itself is any cause for criticism. I think we would simply be hiding from our eyes the great advances that have taken place in merchandising if we did not recognize that the big stores in this country have played their full part in developing the efficiency of merchandising generally. The big stores have their place, and the small stores have their place. We do point out, however, that the small merchants are closer to the people; that the small merchants throughout Canada generally are those upon whom people rely from day to day. Neither should we on the one hand disregard the rights of the big businesses to do their business legitimately, nor on the other should we under any circumstances do something that will almost automatically remove any safeguard for the small merchants who would be affected in this way. Once again I remind the house that it is not only the members of this party who have stated the dangers that exist, but others as well have pointed out that the small merchant will go to the wall if he has no basis of legitimate protection against practices which he could not possibly contend with.

Then again let us consider what would happen if this legislation were delayed until next session. It would not become law perhaps until March or April. What difference would that make? The Prime Minister has

indicated that he does not think it is going to have much effect on retail prices. He does not think it is going to have much effect on the cost of living. Others have said the same thing. If that is so, what single reason is there before this house today, what single reason has been presented by the government that the members of this house should accept the responsibility of upsetting the commercial and trade practices which have been in force in this country ever since the turn of the century? I do suggest in all seriousness that hon. members consider the practical aspects of this problem. It is easy enough to say we must not permit anything that would restrict competition; it is easy enough to say that these prices are fixed by manufacturers; it is easy enough to say that if prices are to be fixed it should be done by the government; but let us remember this. All the evidence we have is to the effect that it is the merchants themselves who want this price fixing, or rather this price agreement established, rather than the manufacturers, because the manufacturers could probably sell their goods in any event.

The evidence before the committee, limited though it was, made it reasonably clear to anyone that it was the merchants who seek agreements of this kind. Yes, by all means let hon. members explore the possibility of preventing abuses; by all means let hon. members seek to enact laws which will protect the Canadian purchaser from practices which are contrary to his interest; by all means let hon. members pass laws which will prohibit anything that is clearly anti-social. But that should be the test, and we should be able to say that it is anti-social, that it is contrary to the public interest, that it is actually doing some harm before we, with our responsibility as members of the high court of parliament, should pass judgment and say that something is a criminal offence which has never been a criminal offence before. That is what we are being asked to do.

Now, Mr. Speaker, unless there are reasons which have not been disclosed, unless there are reasons stronger than any that have been suggested, let every hon. member in his own mind ask himself: why should this bill not stand until the next regular session of parliament so a real inquiry could be made, so all the organizations affected could be really heard; and they were not heard. In that way the members themselves would have the advantage of the advice they would receive in regard to this subject.

If this bill should pass as it stands, it is not easy for anyone to predict exactly what will happen in any particular case. One cannot tell, for instance, whether in this instance the minister would be any more likely to enforce this measure than he has enforced section 498A. That of course is something we must bear in mind. It is perfectly true that the minister might take just as little action under this as was taken under section 498A, and of course that was exactly zero. But assuming for the sake of argument that it would be the intention of the government and of the minister responsible to enforce the act when it became law, then let us see some of the things that would happen which would have to be balanced fairly against whatever advantages are claimed; and those advantages are still very vague and uncertain in so far as any evidence we have had placed before us is concerned.

First of all, this would happen. If there is not to be agreement as to prices in regard to nationally-advertised products such as automobiles, refrigerators, washing machines, drugs or, shall we say, oil and gasoline, or anything of that nature, then of course there is no established price level. Then let us see what happens to the small merchants. Most small merchants deal with banks, and have certain credit at those banks. They depend upon that credit to a very large extent to carry on their daily operations. Most cautious bank managers would call in a small merchant and say to him, "I regret very much to point out to you that since I no longer know what your inventory is worth, I must ask you immediately to reduce your credit to a very substantial degree." The man would probably say, "Well, as a result of the order of Mr. Graham Towers last spring, something with which parliament had nothing to do, my credit has been already very severely restricted this year. I do not know that within the same year I am going to be able still further to pay off debts which I carry as an ordinary line of credit."

I do not need to suggest what the alternative would be. The alternative would be that a merchant who was not able to pay off the amount required would have no choice but to sell what he had at any price, to realize the amount necessary to secure the amount of the debts for which payment was being demanded.

I can imagine some people saying that it would be a very nice thing to get some of these things cheaply. Naturally we would all like to get them cheaply. Naturally we are all anxious to see things a lot cheaper than they are. For instance, we have pointed out that it would be a good thing if they could be cheaper today through the simple and easy process of the government removing the unnecessary sales tax which they

increased earlier this year, and the unnecessary excise and other special taxes they put on. That would be one way to reduce prices and to satisfy the public very quickly and very easily. But that was not done. However, in this case, in the end it would be the consumer who would suffer; because after all the consumer is not only a person who goes about looking for things he may buy cheaply; he is a person who wants to be able to get something he needs at a place he can reach within a reasonable time, when he needs it. He wants some local merchant within easy range who can afford to carry sufficiently varied lines so that the requirements of the ordinary community in the country, anywhere from the Atlantic to the Pacific, can be met by the inventory on hand. Therefore it is the consumer, the ordinary consumer, the purchaser, who is greatly interested in the merchant being able to maintain that line of credit which will permit him to operate.

But what happens if he is not able to operate? We all know what happens. It was the hon. member for York South who pointed out what would happen. The larger business would be able to gobble up the smaller ones. This bill would assist monopoly, as this government has assisted monopoly over and over again. If ever there was a government that has advanced and created monopoly it is the government now in power.

This would simply be one further step to create and extend vast monopolies. There is no one who has had practical experience in matters of this kind who does not know that there are many ways in which it would be possible to organize business in a manner that would make the enforcement of this measure very difficult. The simplest device would be for great drug-trading organizations, for instance, to buy out small merchants, or to buy part interests in those stores, and in this way create huge monopolies where there would be no question of price-fixing, because it would be one organization establishing its own prices.

I am surprised that members of the C.C.F. have displayed so little awareness of this very real danger which would be created by the measure before us. That is a danger—and I might suggest that the hon. member for York South pointed it out very clearly.

Of course in fairness to him I must say he made the reservation that there should be adequate safeguards. However, I am pointing out that the only safeguard that exists has never been used. It has got pretty rusty after all these years it has been lying unused, during which it has not been employed by this government.

When we talk about the manufacturer, let us remember that in every one of the lines we have been discussing there are a number of manufacturers, and that either there is competition among those manufacturers or there is not. If there are agreements among manufacturers of similar lines of products that prevent real competition, then the minister now presenting this measure has it within his power to deal with that matter under the Combines Investigation Act. There is no question about it. If there exist combines which prohibit real competition among manufacturers making the same lines, then it is the duty of the commissioner under the Combines Investigation Act to investigate the situation, and it is the duty of the minister to prosecute them. If there is real competition, then no single manufacturer can set a list of prices which are unreasonable and which are beyond the desire of the public to pay, for the simple reason that another manufacturer will undersell the first one by offering the same or a similar article. Then the laws of competition will still operate on the prices of the goods sold.

If this measure passes, then certainly it will be possible to encourage monopolies which might destroy that measure of competition which still remains as a safeguard.

At some later date, when the bill is in committee, it will be possible to direct a number of questions to the minister who has presented the measure to the house. On that occasion it will be my intention, as it will be the intention of others, to direct most searching questions to the minister as to the evidence he really has to support legislation of this kind, and why it is necessary that we proceed in this way. I say again that we are being asked to pass legislation that affects not only thousands of retail merchants but hundreds of thousands and perhaps millions of our people who depend upon them for their daily requirements. We are being asked to pass legislation which will change our established mercantile system to a very considerable extent. We are being asked to do that without any evidence to support the course that is proposed and, above all, without any evidence as to why this sloppy and incomplete legislation should be adopted by this high court of parliament in this indecent haste.

There is an alternative presented in the amendment as amended by the subamendment: withhold the legislation and conduct an inquiry. In conducting that inquiry, also explore the advisability of having a fair trade commission. I would point out that in putting forward this recommendation I am simply following the stated view of the Conservative party which has been a matter of legislative as well as other record for a great many

years. I am not going to take serious issue with the statements that have been made by certain members who apparently gained some measure of personal satisfaction when they said the Conservative party was being inconsistent. The statements were loose, and I recognize that they were made without care or any attempt to examine the facts.

I would point out that in 1935 the Conservative party introduced a measure which was passed by the House of Commons and the parliament of Canada. I believe that in any examination of this subject it would be well to consider what was done at that time. I urge hon. members to examine that legislation and also what took place afterward. If they do they will see why great caution should be exercised in proceeding with this measure at this time. In 1935 the parliament of Canada passed the Dominion Trade and Industry Commission Act which carried into legislative form many of the ideas incorporated in the fair trade laws of the United States. It was intended to set up a commission to administer the Combines Investigation Act as well as the Dominion Trade and Industry Commission Act. The section of that act which is of particular significance to the discussion now taking place is section 14. In order that hon. members may know what was done and what the position of the Conservative party was at that time, I should like to place on the record that section, which is headed "Price and Production Agreements" and reads:

14. (1) In any case where the commission, after full investigation under the Combines Investigation Act, is unanimously of opinion that wasteful or demoralizing competition exists in any specific industry, and that agreements between the persons engaged in the industry to modify such competition by controlling and regulating prices or production would not result in injury to or undue restraint of trade or be detrimental to or against the interest of the public, or where such agreements exist and in the unanimous opinion of the commission but for their existence wasteful or demoralizing competition would exist in any specific industry, the commission may so advise the governor in council and recommend that certain agreements be approved.

(2) The governor in council may, if of opinion that the conclusions of the commission are well founded, approve of any such agreement, and shall make regulations requiring the commission to determine from time to time whether the agreement is resulting in injury to or undue restraint of trade or is detrimental to the public interest.

(3) The commission shall require persons engaged in the industry to furnish full information relating to operations within the industry under the agreement and may at any time, of its own motion and in its absolute discretion, advise the governor in council to rescind the approval of the agreement and the governor in council may rescind the approval accordingly.

(4) In any case where the governor in council has approved an agreement under this section, no prosecution of a party to such agreement shall be instituted under the Combines Investigation Act or under sections four hundred and ninety-eight and four hundred and ninety-eight A or any other relevant section of the Criminal Code for an offence arising in the performance of such agreement, except with the consent of the commission.

That section indicated an attempt to bring this type of mercantile practice under supervision and at the same time permit agreements which are described as price-fixing agreements to be brought into effect where it was established that they were not contrary to the public interest. I submit that any agreement which is not contrary to the public interest should be allowed in any event. That should be the one test of the measure now before us as far as safeguarding practices which are actually shown to be in the public interest is concerned. Anyone who is following a practice which is in the public interest should be able to continue that practice.

I assume all hon. members know that section 14 was declared ultra vires by the Supreme Court of Canada. The other sections of the act were declared to be intra vires of the parliament of Canada, but they never became operative because section 14 was really the key section. I think there were other sections that might have been employed to some advantage, but the fact is the act has been inoperative.

It is important for us to remember that, when this section was enacted, an attempt was made to put into effect in Canada what are described as fair trade practices. An attempt was made to set up in Canada a commission which would permit agreements of this kind to operate where it was demonstrated that they were not contrary to the public interest. The fact that the courts held that this subject matter was not within the authority of the parliament of Canada is one reason I have suggested that, in addition to the caution which members should show in passing the bill, there should be additional caution on the part of the government to make sure beyond any possible doubt that the measure itself is within the powers of parliament. The amendment before the house with the subamendment makes it possible for the government as well as others to examine this question, because they will be able to obtain legal advice, and they will also be able to consult the provincial authorities. Then if it is decided there are constitutional problems involved, as I most certainly think there are, it will be possible for them to lay the foundation for some other procedure which would bring about the kind of result that has been obtained in other cases where it has been found that some subject of general interest to the people of Canada, but which is nevertheless

exclusively within provincial jurisdiction under our constitution, can be brought into general operation.

I think as Canadians we should be very proud of the fact that over the years under different governments, Liberal and Conservative—and of course those are the only governments we have ever had in Canada—

An hon. Member: Or likely ever will have.

Mr. Drew: As someone has said, or likely ever will have—we have seen a real attempt to deal with the problems which are national in scope but which nevertheless are within the exclusive jurisdiction of the provinces. I think we can compliment ourselves on the good will and spirit of co-operation that have been displayed in Canada so that over many long years agreement has been reached as to ways in which all doubts could be removed and the jurisdiction of both dominion and provincial governments exercised on behalf of the people by legislation covering both the dominion and the provincial fields. Without extending the legal argument at this time, I do suggest that it would be well for caution to be exercised with regard to this bill, and that most certainly before a measure of such sweeping powers comes into effect, with its impact upon the whole mercantile and commercial life of Canada, every last possibility that it may not be within the jurisdiction of this parliament should be removed.

It would be a most unfortunate thing if legislation were passed which greatly disturbed our whole mercantile and commercial system and it was then found that the act was ultra vires; because then we would have a great deal of difficulty in unscrambling the egg which we had scrambled so effectively. I think the whole tendency on this continent for many long years has been to recognize that unrestrained and unbridled competition in the end injures the consumer more than any other person in the community. When arguments are made by the government that they are so concerned with the welfare of the consumer, let it be remembered that unrestrained and unbridled competition has been harmful to the consumer, and that because of that recognized fact it has been the consumer most of all under our democratic system who has insisted that there be some appropriate restraints on competition which could have a damaging effect upon the economic and commercial life of this or any other country.

The idea of absolutely pure and unrestrained competition is of course an idea that gained some favour more than a hundred years ago and resulted in the most shocking working conditions, the most shocking employment of young people and the most shameful abuse of the power of money. It was that situation which led to the introduction of many of the laws which over the years have brought us step by step to this day when it can be safely said that there is a consciousness at all times in the minds of the members of our parliament and our legislatures that it is the welfare of our people generally, and of those people least able to look after their own safety and security, that should at all times be the first concern of parliament and of the laws we pass.

Hard competition, as it may be described, is no longer supported in theory by any people who have studied the history of that period. But let us make no mistake; this bill is a return to hard competition. It is an assertion of the doctrine of the Manchester school of more than one hundred years ago. The bill simply throws to the wolves those who cannot stand the strain imposed by the wealth of the larger businesses. That was the point put forward by the hon. member for York South (Mr. Noseworthy), and in this case I have no hesitation in accepting the validity of his contention. There is of course the other type of competition which has come to be described as soft competition. That is competition where there is no real effort to compete, where there is a blanket over everything, where the state says what will be done and everybody conforms to regulations.

One of the problems that presents itself to my mind today is to know just which of these two doctrines the members of the C.C.F. party are really supporting at this time, because I was under the impression—of course I may be wrong—that the C.C.F. party was committed to the idea of soft competition. I thought the C.C.F. party was committed to the idea that the government should decide what the basis should be, and in fact unless I have wholly misinterpreted the statement of the leader of that party that is what he is recommending in this case.

Mr. Coldwell: That is correct.

Mr. Drew: I am glad to have my mind cleared on that. That is what is known as soft competition. That is known as the parasol type of trading.

Mr. Noseworthy: What school is that?

Mr. Drew: That is the C.C.F. school. That is the school where the government creates a parasol. Underneath the parasol are little figures which the ordinary trader is supposed

to read. They will tell him exactly what he must do, and if he does that he will keep out of the rain, the rain in this case being the punitive forces which would insist upon recognition of that parasol. That is soft trading, soft competition.

I must say that I really was greatly encouraged when I heard the hon. member for York South giving what I understood to be a clear exposition of the middle road in trade, what we might regard as sound competition. I understood him to advocate that type of competition which on the one hand recognizes the dangers of unrestrained and unbridled competition, and on the other hand the weakening effects of complete control of prices and details of that kind by government agencies.

Mr. Herridge: The member for York South was supporting our amendment.

Mr. Drew: That is exactly the difficulty which was presented in my mind, because I thought the member for York South had put forth a sound argument in favour of that type of competition which on the one hand recognizes the dangers of unbridled and unlimited competition, and on the other hand recognizes the dangers of the parasol regimented type of competition, call it what you will. Most certainly he did recognize the dangers of the situation which would be created by this measure. Because of that I find it difficult to understand how he is going to vote for this measure when that time ultimately does come.

I have sought to emphasize, in every way I can, the fact that a great deal more attention should be paid to this subject and there should be an opportunity for further consideration. May I express the most earnest hope that when the members go home for Christmas, even if it is only for one day, the merchants in their communities seek them out and indicate exactly what they think of a measure of this kind. It will be most helpful to the members of this house if all the merchants of this country will make sure that, on that single day when members are home, they take the opportunity to tell the members exactly what they do think about this legislation. I feel quite sure a number of the merchants in Guelph are going to call upon the hon. member for Wellington South (Mr. Hosking) when he gets home. After all, that is democracy in operation. I am most hopeful that after that expression of opinion has been registered, many of the members will change their opinions on this subject.

Having said that, may I emphasize my own belief that this is a most difficult subject. It is one of the most complicated problems with which this or any other government will be called upon to deal. The balance between what is desirable in the way of preventing abuses and what would be undesirable in preventing legitimate and desirable practices is difficult to achieve. I do not think the measure before us provides any such balance. This measure is simply adopting the device of shooting the patient. This method cures the ailment, it is true, but then we have to wait for the grief that will follow that rather drastic method of dealing with certain abuses which may exist and which certainly should be dealt with under some effective device where they do exist. I assure hon. members that in taking the time we have—and we have not hesitated to take that time—we have done so in the hope that the government may come to the conclusion that it will be desirable to withdraw this measure for the time being to obtain further information. Then, on the basis of that further information, a measure could be drafted which would give us the best type of fair trade practices, in accordance with our own extensive experience and designed particularly for the Canadian economy, but nevertheless taking full advantage of the experience in other countries. This would ensure that when our legislation was passed into law each one of us would be convinced that it represented the best possible judgment of the high court of parliament.

Surely that is a worthy objective. Surely that is not something anybody can criticize. I assure hon. members that in the objections we have raised and the arguments we have put forward we have availed ourselves of the opportunity open to the opposition to express opinions which may at some point convince the government.

I say quite frankly that one of the advantages of the deliberate extension of a debate is that it is possible for the people themselves to learn what is taking place in parliament, and as a result of that knowledge communicate their views to the members of parliament. In the arguments we have made we have not hesitated to cover all the points that seemed to us to be related to this problem, with the idea that perhaps the government and its supporters may change their opinion and also that perhaps the people affected by this legislation, the consumer and the small merchant, might help to change the government's opinion. For that reason I am earnestly hoping that members in this house may have an opportunity to meet those they represent, and that all the merchants in the various communities will seek out their members and make sure those members do know what

they are thinking. I hope also that as many of the real consumers as possible, not just those who describe themselves as such, will seek out the members and explain to them at some length just what they really think of legislation of this type.

Then of course the members will come back with better information. Perhaps they might even come back—and I hope they may do so—with the suggestion that this legislation stand over until the next regular session of parliament. That brings me back to the suggestion that, since it is apparent that this debate is not going to end quickly, it might be well to let this bill stand at this point, to proceed with other measures that are before the house, to dispose of any that can be disposed of, and then to consider carefully whether this measure should be returned at all. I hope the decision might be in accordance with the recommendation I have made, namely that this measure would not be returned at this time but that steps would be taken to have adequate inquiry, and that the measure would be dealt with carefully and in the best possible way when the next session meets.

The Prime Minister (Mr. St. Laurent) is in his place. I can only express to him again my hope that, whether or not we are in disagreement on this matter, he will recognize the fact that we feel strongly on this subject and that we are simply expressing the conviction that this is most dangerous legislation when we present our arguments which, I might say, as they apply to other aspects of this problem, will be continued as this measure is under discussion. I feel that if it were possible to let this measure stand so hon. members might obtain more information from their personal contacts, we might perhaps be able to deal more expeditiously with some of the other measures that still remain on the order paper.

Mr. Low: Mr. Speaker, if I may be allowed to do so I should like to get some information from the leader of the opposition (Mr. Drew) on one point. Even if the fair trade commission he suggests were set up, does he not think it would also be necessary to abolish the vertical type of price maintenance we now have, in order to make it possible for this commission to function?

Mr. Drew: I should like to answer that question, Mr. Speaker, if I may be permitted to do so. Perhaps I was not sufficiently clear on that point. In introducing the subamendment and simply stating that we were asking that consideration be given to the setting up of a fair trade commission, we recognize the fact that there must be a much broader examination of this subject than has yet taken place. We recognize the fact that there are practices which should be under restraint. We recognize the fact—as it has been recognized in earlier attempts which have been made in this house to pass legislation—that there are practices which should be stopped. But it is also recognized that there are trade practices along those lines that are in the interests of the public. What I said was that I did not think at this stage we should seek to draft the bill, but rather that we should assert as a principle that we want this measure held back so there might be further inquiry, and so the advisability of having a fair trade commission, under which the most desirable type of trade practice could be set up, should be carefully examined by the government and by parliament.

Mr. Noseworthy: May I ask the hon. member a question, Mr. Speaker?

Mr. Deputy Speaker: With the consent of the hon. member.

Mr. Noseworthy: Under the commission the hon. member suggests or visualizes in his party's amendment, would the manufacturer or a commission appointed by the government have the final say in what the price should be? That is the point, I think. If I understand the leader of the opposition correctly, he is advocating some form of commission under which the manufacturer will still be free to set his price. We were suggesting a body responsible to this parliament where that price would be determined and regulated.

Mr. Drew: Yes, Mr. Speaker; that is what I understood. I for one certainly do not support the idea that those who are not themselves in a particular business are better able to decide what a business can do than are those engaged in it. I believe that a commission can be set up which will supervise practices of this kind. Without in any way seeking to evade the question, may I point out, as I did in the answer I just gave to the hon. member for Peace River (Mr. Low), that we are not putting forward a bill, and that we are not attempting to cross the "t's" and to dot the "i's".

Mr. Noseworthy: You never do.

An hon. Member: Neither does the C.C.F.

Mr. Drew: Let me answer that comment by saying that we do, to this extent. The Conservative party, not the C.C.F., has had the responsibility of government in this country for about half the time since confederation, and they were definite enough about it to pass, in 1935, a bill which the courts unfortunately held to be ultra vires. The general purpose that was intended, with

the advances that have taken place, is the general purpose of our party today, namely to have the best legislation in the interests of the consumers of this country, which will at the same time protect the independence of our people from officialdom and from the rigid type of prices which seem to be so affectionately regarded by some of the members of the C.C.F. party.

Mr. St. Laurent: May I move the adjournment of this debate until later this day, not for the purpose of complying with the suggestion of the leader of the opposition but for the purpose of reverting for a few moments, as was agreed this morning, to the notice of motion with respect to the date to which adjournment should be taken when the house adjourns this day.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

On motion of Mr. St. Laurent the debate was adjourned until later this day.

BUSINESS OF THE HOUSE

MOTION FOR ADJOURNMENT UNTIL THURSDAY, DECEMBER 27

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

That, notwithstanding any other previous order of this house, when this house adjourns on Friday, December 21, 1951, unless it be otherwise ordered at that time, it stand adjourned until Thursday, December 27, 1951, at 11 o'clock a.m.

He said: Mr. Speaker, it has, I think, become evident that it is not reasonable to expect that, either today or tomorrow, the business of the house could be completed with the care that should be given to matters of that importance, and that it will be necessary to have some further time than that which would remain this day and tomorrow. That being the case, unless an order is made, the house would be required, under the existing orders, to sit tomorrow, Monday and even Christmas day. I do not think that would be the desire of hon. members. I am suggesting that, when we reach the hour of adjournment today, the adjournment be to Thursday morning at 11 o'clock. At that time I would hope we would be able to give to the matters that are still to be dealt with such further consideration as may be required, and that they can be disposed of in an orderly and proper manner. I would like to submit this motion so hon. members would know at this time that they would not be required to be here tomorrow, nor the day before Christmas, nor Christmas day, nor even the day after Christmas, but only on the following day.

[Mr. Drew.]

Mr. George A. Drew (Leader of the Opposition): There are just one or two comments I should like to make. There was one point on which I was not clear. The Prime Minister said the house will adjourn today at what hour?

Mr. St. Laurent: The order that is in existence provides that the house shall adjourn, without question put, at ten o'clock. That is the order that is in effect at the present time.

Mr. Drew: Mr. Speaker, I certainly am not going to raise any objection to the time of adjournment today, but I do raise the question as to whether it is desirable that the time at which we should meet on Thursday next should be at eleven o'clock in the morning, in view of the fact that a number of the trains and planes on which hon. members will be coming in that day will not bring them in by that time. It is generally recognized that the afternoon sitting permits hon. members to arrive here in time to attend. I am simply putting this forward. As will be recognized, it does not affect me personally, but there are a number of hon. members who might be affected by that hour. The other point that I wish to make is this. We still have a very large amount of important business on the order paper in addition to the measure now under consideration. We of course have not had the advantage of seeing the amendment to the Public Works Act, but I can assure hon. members that unless the amendment very substantially varies the bill that is before us, that debate will not be short.

There are other measures of considerable importance. I do think, in making a decision as to the time we should meet, that full regard should be had to what course will be followed. Do we again adjourn for New Year's day? Of course if it is not intended to adjourn for New Year's day no problem arises in that respect. But I would merely put forward the suggestion to the Prime Minister that perhaps he might consider even at this moment just what the proposal would be in that respect, because if there were any thought of making any break for New Year's day then perhaps consideration might be given to the advantage of adjourning until a date in January, somewhere about the middle of that month.

I have no thought of making any amendment or of opposing the resolution. I will accept whatever resolution is put forward in regard to the carrying on of the business of this house as rapidly as possible, consistent with the traditional rights of parliament. But I just put this forward for consideration. In January the greatest living statesman is going to visit Ottawa. The greatest parliamentarian under our parliamentary system will be here; and if the adjournment is going to carry us

into the month of January I would suggest that consideration might be given to the fact that many hon. members might like to know whether the house will be sitting when Mr. Churchill will be here, so this great exponent of our parliamentary system might be heard on the floor of this house, and when the people of Canada hear what he has to say they would know it was being said from a background similar in every way to that background with which he has so constantly been associated throughout his mature years. I merely put the suggestion forward. Its consideration will of course be related to the expectation of the Prime Minister as to when our business will be completed. And might I add, the time our business will be completed will be very largely governed by whether the government decides to carry forward this bill or to let it stand over until the next regular session of parliament.

Mr. Speaker: If the Prime Minister speaks now he will close the debate.

Mr. St. Laurent: I just wish to add a word to make it quite clear that there is not, nor is there likely to be, any intention on the part of the government not to proceed with this bill before parliament prorogues.

Motion agreed to.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mrs. Fairclough.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like first of all to say a word about the last comment made by the leader of the opposition (Mr. Drew), namely that when members are home, even though for a somewhat limited holiday, they might try to inform themselves as to the state of public opinion in their respective constituencies. I think it is fair to say that as far as evidence has come before the committee as yet, certainly from the experience on this side, so far as expressions of opinion from citizens are concerned, there have been many, many times as many opinions against the bill as in favour of it. I am not overlooking the fact that a good many of these opinions came from interested parties. But on the other hand I think it is fair to say that as time goes on there is more and more evidence from people who are interested not as merchants but as consumers. I think there is considerable evidence—evidence which encourages me greatly in the view which we are putting forward—that the consumers are beginning to take a hand in this, and I suggest that the leader of the opposition was very wise in making the suggestion he did.

Like him, I was interested to hear what the hon. member for York South (Mr. Noseworthy) had to say. I wish to make one comment particularly on only one line of his thought. He used quite strong words in suggesting that we might still stop, look and listen. These are not his words but mine: that we might still have time to take another look at this measure. Certainly I agree with him there, and I wish to make a few comments along that line. I echo just briefly what the leader of the opposition said. What is the urgency? Is it a matter of life or death? Well, the only suggestion of life or death is from many people who think it may be a matter of life or death for them if this is passed. But I have not heard a suggestion from any quarter that it would be a matter of life or death if it should wait for a few weeks. No one has suggested that. I do not think the Minister of Justice (Mr. Garson) will suggest it, and the Prime Minister (Mr. St. Laurent) certainly did not suggest it.

Therefore it seems to me we have no real reason except—well, what shall I say—the unregenerate political pride of the government. We have no reason except the prestige, fancied or otherwise, of the government; and of course that is a treasure which they must guard for themselves, and the nature of which the rest of us must leave to them to determine. But I just make the point again, that there is no urgency shown or suggested. I believe I am correct when I say that. If I am wrong, then I am ready to be shown that I am wrong; but I have no recollection of it.

I wish now to come to a few points which have been borne in on my mind, now that I have had a better opportunity to read the evidence. I believe it was the hon. member for St. John's West (Mr. Browne) who the other evening raised the question as to how many at that time had read the evidence. I have taken all the time I could, consisting of a fair number of hours, but certainly I would not suggest I have mastered it yet. However, there are two or three things I wish to bring to the attention of the house, because they seem to deal with matters which are very relevant to what we are considering now. First of all there is the question which has been raised at some length in the house as to the manner in which the committee was conducted, and as to the whole background of its proceedings.

In that connection I wish to read one or two paragraphs from the remarks of the Minister of Justice, who was present during the sittings of the committee. And I shall read also a few remarks of Senator Lambert, a man known to all of us. I would read particularly with regard to the setting up of the committee and its relationship to the MacQuarrie committee report.

It seemed to me that at times the language used by the Minister of Justice was such as to indicate that it was the MacQuarrie report against the world, and that the only purpose for holding this committee at all was to permit people to come in—and here the language surprises me—to permit the people to come in and, as suggested at page 247, show that the report is "not in order." Then the next line speaks about the "validity of the report." I find those phrases—and I will read more of them—rather puzzling. It sounds like finding whether a motorcar is working, or whether an arithmetic question is right or wrong. This was a matter of opinion on a difficult and elusive subject. It seemed to me, from the words used by the minister, that they indicated an unwise attitude toward the proceedings of the committee.

Let me read at greater length from the minister's words as they are reported at page 246 of the proceedings:

Now, while there may be differences of opinion as to the competence of the MacQuarrie committee we have never had any other view from the time we appointed it but that it was a thoroughly competent committee, and that it has done a thoroughly complete job. It has taken a long time to do it and has gone very thoroughly into the whole matter. It did receive extensive briefs, and had long discussions. It did not curtail discussions in any way and it has done a job which if this committee were to do it would take from now until at least next summer—

That calculation, I thought, was a generous one. I do not know why the minister said "summer" rather than "spring" or, for that matter, "autumn." But that was the word he used. And he continues:

—and we thus could never contemplate any legislation in the main session of parliament.

Then in the next paragraph he referred to the officials of the combines investigation branch, and went on to say:

With the advantage of their views in the matter, we fully accepted the report.

That is the MacQuarrie report.

As some of the speakers who have just spoken in this committee have indicated, we, in the speech from the throne and in the debate in the House of Commons, committed ourselves to the acceptance of the report and to the introduction of legislation based upon it.

"Committed ourselves" he says, "to the acceptance of the report". I do not wish to discuss the language used, but it seems to me that must have been a little discouraging to the committee, because it almost seemed to suggest that the door was pretty well banged, barred and bolted; that they might go through the motions of considering the report, and could have a lot of good fun out of it, but what they said could not amount to much.

I want to read again from page 247, where the minister said:

If, as Mr. Carroll said a moment ago, it appeared, during the course of the representations which they made as the hearings went on, that they—

And I think "they" refers to the people who are opposed.

—were able to discharge the onus which is upon them of showing that the report is not in order, and made it appear there was some doubt about the validity of the report, then I think this committee would be warranted in digging into all the same matters the MacQuarrie committee had considered. But if we get from the representations that are made before us no argument that convinces us that there is anything wrong with the report I cannot see where we have any conscientious duty to go over the whole field that has already been covered very thoroughly by the MacQuarrie committee.

Now, that is a point of view. But I suggest again that the committee, when they heard that said, must have felt, "Well, what does all this amount to? Are we going through a lot of waste motion?" It is for that reason I want to go on to some further quotations. On the next page I read what Senator Lambert said. I know Senator Lambert is not a partisan of any kind; certainly I do not think he is a partisan for the Conservative party. I quote him as a man of independence, and I am interested in what he says. These are his words at page 248 of the proceedings:

I think it is very important in considering this matter now to associate the MacQuarrie report and the inquiry which we are making into the MacQuarrie report with the beginnings of this whole undertaking, which is the Curtis commission's prices inquiry. Now, the essential instruction in connection with the price inquiry by the Curtis commission, the essential instruction given by the prime minister of that day was that it should bring to bear upon the situation the whole moral effect of public opinion in this country—

You see that is exactly what the leader of the opposition (Mr. Drew) has been suggesting should be done, that we should have the benefit of public opinion in this country. And it is interesting to note that that is exactly what Senator Lambert thought should be done.

Then I go on from there to read:

—and that it was not intended to legislate particularly or to witch hunt for particular factors or situations.

We all agree with that. The only difference of opinion would be: When is a witch hunt not a witch hunt? Then I go on:

It was, rather, an investigation of the economic situation which brought about the suggested complaints about prices, and I submit now—

And this is the important part of it.

—as I did in the beginning here, that it is a mistake to set down a deadline or attempt to set down a deadline in connection with this inquiry. I do not suggest that this committee should undertake as wide and as detailed an inquiry as the Curtis commission did, but I do submit that the MacQuarrie report does not begin to approach, and I do not think their investigation has begun to approach, from the public point of view, and from the point of view of a democratic interest in this whole subject, the work that was done by the Curtis commission. The MacQuarrie report is a very well stated summary; someone has compared it to an obiter dictum of the supreme court on arguments, and I think that is what it is. There is not a word of evidence given in it.

And may I say that I think the authors of the MacQuarrie report were, perhaps by accident, put in a very unfortunate position. It seems now that the short time they were given in which to make this sort of preliminary or partial report put them in a position which perhaps it might have been wiser to have avoided. Perhaps they tried to avoid it, for all I know. I continue.

There is not a word of evidence given in it. There is a summary of arguments, pro and con, on this subject, but, to my way of thinking, it is something that invites me, as a member of parliament—

I was interested in reading that phrase because I suppose in my ignorance I had forgotten that it fits a senator. I continue:

—it is something that invites me, as a member of parliament, to reflect back to the people of this country public opinion, to which I am responsible, some degree of evidence to support the conclusions of the MacQuarrie report. That is the only point I should like to bring out.

I should like now to refer to another quarter, certainly one not associated with our party, and to quote the remarks of the hon. member for St. James (Mr. Beaudry) as reported on page 249. We were delighted to hear the hon. member speak the other night. He has explained twice on questions of privilege that in spite of the views he holds, which are diametrically opposed to those of his party, apparently he is going to go along with them. He reminded me of a statement I saw in some work on the British parliament which referred to people who made speeches to satisfy their consciences and then voted to satisfy the whips. I think that is what the hon. member for St. James has done. The hon. member stated in the committee:

I am quite in sympathy with Senator Lambert's remarks and in order to expedite matters, since we have very little in the way of concrete evidence so far before us—

That is really an echo of what Senator Lambert said.

—and since it is a laborious task to elicit it from witnesses, I would like to know whether we could not get from official sources a definite set of figures that we would otherwise have to draw from every witness. If I may I would like to suggest some that could incorporate in the record, to which we could refer without asking witnesses for it. We should obtain information, for instance, as to the number of independent stores and independent businesses by provinces and by classification, let us say, in 1930, 1935, 1940 and 1950, and information as to the aggregate volume of business per classification. We could have the same information filed for chain and departmental stores, the volume of mail order business done in Canada in these different years, the number of bankruptcies since 1930, again by classification.

I shall not read the rest of that paragraph as I do not want to weary the house. I point out that here are two men who do not belong to this party making the same complaint we have made, that we are being asked to act on opinion. This committee was not allowed to have original facts but was asked to act on opinion. I consider that an unfortunate and indeed improper way to carry on the work of the committee. I think those in the committee and those in this house who criticized the manner in which that work was carried on were only too well justified in what they said.

Here again I should like to underline that this afternoon the leader of the opposition (Mr. Drew), when speaking on this matter and asking for further consideration, was merely reaching the only conclusion that could be reached from the remarks I have read of the minister, of Senator Lambert and of the hon. member for St. James. So much for that.

I wish now to turn to another aspect of the proceedings which I think are most important and to me very interesting. I think if I had been asked before any evidence was given what I thought would be the attitude of labour I would have been inclined to guess that they would be for the legislation. In the questions that were asked representatives of labour they were given every chance to say the opposite of what they did say. They were very cautious in their view. They wanted to do exactly what we want to have done, have the facts. They refused to jump to conclusions. I now propose to read briefly from the evidence given by Mr. L. E. Wismer, director of public relations and research, Trades and Labour Congress of Canada, who appeared with Mr. Percy R. Bengough, the president of that organization. Mr. Wismer made an opening statement which I think was rather a model statement.

I was very interested in it because it seemed to me that he indicated a course which I think might wisely be followed. He said:

Mr. Chairman, I think I could say, on behalf of president Bengough, that we listened with a great deal of interest to your debate this morning because to some extent it indicated the same difficulties in the minds of the members of the committee that we have, and that is whether or not we should be in favour of the interim report as to whether or not resale price maintenance is a bad thing or a good thing, and in saying that to you I think we should lay our cards on the table. We are speaking for the largest organized group of consumers in this country. There are at least 500,000 paid member of our organization and they have in many cases wives, families, relatives and so on, and they represent a very large proportion of the consuming public. It is important, in our point of view, that we should try to know, before we make up our minds, whether the practice of resale price maintenance grows up as a normal human protection in an economy, or whether it grows up as a predatory practice. In the case of working people, wage earners and their representatives, the combining of men in a trade union grows up from necessity; it grows up as a human practice to protect yourselves, not to hurt anybody, not as a predatory thing but as a protection to the people involved.

That seems to be a very sensible approach to the subject. They do not prejudge it. They want to know about it. They did not want to know the views of somebody else, they wanted to make up their own minds with the facts before them. They did not want just the facts provided by those who were against or those who were for, they wanted all the facts from the most responsible sources. I continue:

Now, we are not employers and we are not the representatives of employers, so we do not know if employers have the same problems or not.

You will observe that they are open-minded; they are ready to believe that they may have.

We know what our problems are like. We know we have to chase a continually rising price level with wages, and we have never yet found a way in which we can do it successfully.

Then I come to the next paragraph:

This is the point we tried to make in the brief. We are very sure in our own minds that over the years gradually trade unions were recognized in law as legitimate associations of people capable of making a bargain under law with their employers. If it is necessary that some sort of similar bargains should be made by the employers for the maintenance of their business and their interests, it also should be done under the law. In other words, we favour whatever price fixing has to be done, whether it be done by trade unions and their employers, by lawyers or doctors or any other association of people, and that it be done under the law. We think if you set up a law of that sort in a positive sense, with a consumers' price board where these arrangements can be considered and approved in whatever form they may necessarily take, that we would be moving in a direction which would uphold the principle of free economy.

He says that, but you will observe that he keeps an open mind and wants to know the facts. Then he is examined by the minister, and I should like to read the following:

By Hon. Mr. Garson:

Q. Supposing a number of members of your union were working for a certain manufacturing plant, would you like the idea that the manufacturer should have the sole right to fix wages by himself?

A. Definitely not.

Q. At the present time he has the sole right to fix your prices, his own mark-up of them and the retailer's mark-up on them and all the rest. Do you like that?

A. Has he got that, Mr. Garson?

Q. Did you not know that?

A. What bludgeon does he use on the retailer to force him into that?

Q. Under resale price maintenance he does fix your price. I put this question to you, are you not as anxious to get out from under the manufacturers' power to fix the prices you have to pay with your wages as you are to have some say in the fixing of your own wages?

Mr. Bengough then interrupts and says:

It applies in some instances but there are, shall I say, many variations of that.

I want to digress for a moment because the minister undertook there to make a categorical statement which I think is not warranted. He speaks of the manufacturer as having the sole right to fix prices. The hon. member for York West (Mr. Adamson) had some comments to make on that this afternoon which were absolutely to the point. The idea that the manufacturer sits in an ivory tower and fixes the prices that everyone is going to pay is just a shibboleth. It is something I am sure the Minister of Justice (Mr. Garson) knows does not exist, and he should not say it exists. What manufacturers have to do day by day and month by month is to use their best wits and efforts to find out what prices can be paid by the consumers and, as I said a moment ago, the idea that the manufacturer sits in an ivory tower and fixes prices exists only in theory. I am glad to know and to be able to quote the fact that Mr. Bengough stepped on that and qualified it. Then the hon. member for Eglinton (Mr. Fleming) questioned Mr. Bengough, or I should say Mr. Wismer. Apparently sometimes Mr. Bengough steps in when questions are asked of Mr. Wismer. The hon. member for Eglinton (Mr. Fleming) asked the following:

Q. May I ask Mr. Wismer if he feels that this so-called practice of price maintenance is a detriment to or perhaps in harmony with public interest?

A. I think we can say this, in so far as the deal is made privately and enforced privately we would have to say no, but where it is a general practice I think we would have to have a lot more information.

Again, Mr. Speaker, I suggest that here is a sensible man who is not ready to make a lot of positive statements without information, which is what we are being asked to do in this legislation.

An hon. Member: Go and do what I did; go and consult your merchant.

Mr. Macdonnell (Greenwood): Then there is this question by the hon. member for Eglinton, with reference to the draft bill:

Q. You will recall it purports to propose blanket prohibition on resale prices. Would you think that is a proper and desirable way of going about this matter, that we have blanket prohibition, or if we are going to have legislation on it should it be left to determine whether in the particular case the particular type of agreement is in the given circumstances harmful to the public interest or not?

Mr. Bengough makes what I think is a very sensible answer. He said, "It would have to be flexible". Then the hon. member for Eglinton said, "You wouldn't favour a general prohibition", and Mr. Bengough's answer was "no". I bring this to your attention, Mr. Speaker, and I only hope that possibly members of the house will pay some attention to it. Here are sensible men occupying positions of high trust and responsibility, representing literally hundreds of thousands of their fellow citizens, and who I am bound to say seem to me to approach this thing in a very sensible manner. They say: Let us have a look at the facts, and they are very shy about answering a lot of general and doctrinaire questions which are based on certain assumptions that not only have not been proved but concerning which apparently the government does not desire time to be given so we may find out whether or not they are capable of proof.

I have gone into that point at some length because I think, as the leader of the opposition (Mr. Drew) has said, that this is a matter of great importance; and when you have a matter of great importance you also often have a matter of great urgency. No one has suggested there is any urgency here. We do have a matter of importance, one that we think may have a very profound effect. Why the sensible and practical suggestion that we should stop, look and listen cannot be adopted is beyond my understanding.

I want to go back to the evidence of one of the witnesses heard fairly early in the sittings of the committee. I think it was before what you might call closure or quasi-closure had been clamped down on the committee. I am going to read part of the evidence of Mr. Harris. It would appear that at that time the committee was a little more open to receiving suggestions. I think it was before those emanations, those telepathic waves, began to pass between the minister and the chairman of the committee. The chairman of the committee has told us there was no communication, but it may have been in the air, and at any rate we know that the clamp, closure, gag or whatever you may like to call it came down. Before it came down fully Mr. Harris gave some evidence at pages 257 and 258. He was speaking on behalf of the Canadian retail federation, and I want to read some statements he made.

Before doing so I should like to remind the house that a good many of these statements can be borne out by statements from responsible quarters and reported in the British pamphlet I read the other day. The minister will remember the name of it. In passing let me say there was a memorandum from another quarter which quoted at some length from a British white paper. I think that is some time later than the report from which I quoted the other day. All I can say is that in this British white paper they succeeded in ignoring some of the sober and serious statements made in the report after evidence had been given. If I may say so with respect to so august a body as the British government, it seemed to me they acted somewhat like our government. They were perfectly prepared to act on the basis of the things they liked to believe were facts.

For instance, I remember reading and *Hansard* will show that I read the other day a surprisingly strong statement, I thought, on behalf of the women purchasers. They spoke very strongly in favour of price maintenance saying they found it a great advantage to be able to know what they were getting, to have quality and not to have that most irritating feeling—and it is an irritating feeling —of buying something and then finding you could have bought it cheaper somewhere else. It is particularly irritating to the man with a name like mine, and I think the mental wear and tear that goes with that sort of thing is very serious indeed. I can understand these housewives.

Mr. Garson: It is kind of hard on us Scots.

Mr. Macdonnell (Greenwood): They want to be relieved from that form of nervous exhaustion. At any rate that was what they said, and in passing I could not help convey my considerable surprise that according to the quotation from the summary of the white paper the British government indicated that they did not think that was reasonable. They said it was not reasonable for women to believe that way, and therefore they could not have believed that way. I am not going to discuss the reasonableness of women. There are different views on that. Some people think women are more reasonable than other people believe them to be. I would say that as purchasers the opinion of women

would rank very high; and when you have the consumers' league in Britain, a very responsible body, expressing the views they did they are not to be laughed off, not by a socialist government.

Having said that, I want to read some of the remarks made by Mr. Harris. I believe they are relevant. After all, as my leader said, parliament could not exist except on the assumption that you believe it is possible the things you are saying may have some effect upon the minds of some of the people opposite. You may go on and on being more and more discouraged, but if you came to the point where you believed it was impossible to change the opinion of members opposite it seems to me parliament would have to end. I am sure the minister would agree with that. Therefore I continue to make these arguments. My hopes are not high, but I comfort myself often with the remark made by a wise old friend. He was not talking about the opposition, but I believe his remarks could be applied to them. He said that when you break a stone with the hundredth tap of the hammer, that does not mean the first ninety-nine did nothing. We feel that we are somewhere around the ninetieth or ninety-first tap.

I should like to read from the evidence of Mr. Harris at page—

An hon. Member: You need it, sir.

Mr. Macdonnell (Greenwood): I am all right as long as I am reading. The great problem is how long one has to go on to convince other people. Of course, the difficulty, and one of the tantalizing things here, is that we have a profound conviction we have convinced a lot of other people but they won't say so.

Mr. Fournier (Hull): It is a secret.

Mr. Macdonnell (Greenwood): The Minister of Public Works, on the other hand, is a very different cup of tea, because last Saturday afternoon we had a fine debate in this chamber. At the end he did not say he was convinced, but his actions certainly indicated that he was.

Mr. Fournier (Hull): On this bill?

Mr. Macdonnell (Greenwood): No, on public works, the thing you know most about. We came away from that debate feeling we had really accomplished something. I apologize for all these digressions, Mr. Speaker, but may I call it 6:15.

At 6:15 p.m. the house took recess.

[Mr. Macdonnell (Greenwood).]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Macdonnell (Greenwood): Mr. Speaker, before I continue may I say that a suggestion has been made to me, from a source I respect, that after all the long hours we have had we might perhaps let the page boys off this evening. I hope I am not rocking the boat, Mr. Speaker. I have not done this kind of thing before, and maybe one should not interfere with the routine at all. I have raised this matter because these boys are not as old as we are, and they have had quite a hard time. I think I am one of those who put them to the most work, and I would be ready to do my own chores this evening.

Mr. Speaker: I am not sure whether the House of Commons would be able to function without the page boys. They are extremely important.

Mr. Macdonnell (Greenwood): Now that you have referred to them in that way, Mr. Speaker, I am sure that they would much prefer to stay on. Perhaps I had better withdraw my request.

Mr. Speaker: I shall be glad to take the matter up with the chief page and see if he thinks it is possible for us to get along without them. I thank the hon. member for having brought the matter to my attention.

Mr. Macdonnell (Greenwood): Thank you, Mr. Speaker; I had hesitated to do so.

When we took recess I had been arguing, first of all, that there was no breathless haste here. I had suggested that there was involved no matter of life and death, except possibly to the people who believed they might be grievously injured by the passing of this measure; that nobody was going to suffer immediate damage by the delay in passing it and that, therefore, if there was any question of life and death the argument was for delay and not for immediate action.

I had then gone on to quote at some length from some of the labour men who came before the committee. I had pointed out that they seemed to me to be wise inasmuch as, in answer to questions, they had frequently said: We are not sure about that; there are views on both sides of the case; things must be flexible and not too rigid. I think I would be fair in saying that, by their attitude, they certainly had not indicated a desire to press on, regardless. I also had endeavoured, by reading quotations from the minister himself and from Mr. Lambert, to stress the argument that I thought more could have been done to allow the committee and, through

the committee, ourselves to judge this matter not by the opinions of other men, which in effect is what we are being asked to do, but by evidence we would get ourselves.

We in this party have often suggested in this house in other matters that we want access to the facts; and indeed, we have made some progress in that direction. We have stressed the fact that no responsible person is entitled to reach a conclusion without it being his own conclusion. My understanding of the law of trustees is that the one thing a trustee may not do is say that he did not exercise his own discretion. It may be an exceedingly bad discretion—and of course there are various views as to the discretion of the people in this chamber—but as I understand it, provided he exercises an honest discretion a trustee is fairly sure to come off scot-free if his actions are ever attacked. I suggest that we are trustees in the general sense of that term, although of course not in any legal sense; and I suggest that we are being prevented from doing what a trustee is called upon to do by law—and by that I mean a legal trustee—namely, to exercise his own discretion, which presupposes that he has the facts.

At 6.15 I was going on to read some comments made by a man who came on in the early days of the committee proceedings, and who represented some of the people whom we think should have been represented more widely and should not have been turned back as some of them were. I now propose to read briefly from some of the comments made by Mr. Harris. I read them with particular pleasure because they bear on some of the remarks which have been made categorically and, I think without warrant, suggesting that really a manufacturer just dwells in an ivory tower and he dictates his prices to the rest of the community.

Mr. Adamson: Which, of course, is nonsense.

Mr. Howe: Is that so? I will give you some examples.

Mr. Macdonnell (Greenwood): I wish it were possible to have the evidence of the Minister of Trade and Commerce (Mr. Howe) on this matter. I am sure it would be extremely interesting, and that we could get much further if only we had had him on the witness stand.

Mr. Harris had something to say about the matter. He was given an opportunity to express his views and, as reported at page 258 of the proceedings of the committee, he said:

> Our brief brings out these points: first, that resale price maintenance is a stabilizing influence on our economy.

I might remind you, Mr. Speaker, that before the dinner recess I mentioned the case of the women purchasers in Britain who brought out this particular point, namely that it was a good thing, first of all, to have a guarantee as to quality and, second, not to have that agony which besets a certain kind of person when he finds that he has bought at one shop something he could have bought much more cheaply elsewhere. They evidently like the stability or the uniformity of price; although there one must throw in a caveat, too, because it was brought out in other cases that there could not be a rigid uniformity, and that sensible manufacturers do not try to pursue the man who, through the exigencies of his business and through the necessity for ready money, was selling perhaps below the stipulated price. Mr. Harris goes on to say:

> Secondly, the public has protection in the brand name and an assurance of quality.

I think we all agree with that statement. He continues:

> Thirdly, minimum resale prices tend to become maximum. Fourthly, price maintenance limits the retailers' margin of gross profit.

Later on Mr. Harris has something further to say about that question of limitation. He continues:

> Our next point is: Price maintenance does not lead to high prices; and again, price maintenance tends to stabilize production.
>
> Now, in opposition to the findings of the MacQuarrie commission, we submit first that price maintenance does not restrict competition unduly.
>
> Secondly, we maintain that price maintenance tends to equalize prices across Canada; that is, in British Columbia and the maritime provinces—

He appears to include them in Canada, Mr. Speaker. I do not know why he should have any doubt about that.

Mr. Gibson: The Railway Act does that.

Mr. Macdonnell (Greenwood): I continue:

> They have always suffered from the disparity in freight rates.

He goes right on to the point made by the hon. member for Comox-Alberni (Mr. Gibson). I am glad to have him with me in this. I continue:

> So with price maintained items the prices tend to be the same throughout Canada as a whole. That, in turn, helps to equalize the cost of living throughout the country.
>
> We further submit—and I say this, gentlemen, with bated breath—that the consumer is not an expert in the value of merchandise, except in use, and the brand protects her and the price protects the brand.

Mr. Harris evidently knows his stuff. He knows who the purchaser really is. I go on:

> We further believe that price maintenance helps retail advertising, or rather enables national advertising which means greater advertising economy and more economical distribution to the consumer.
>
> We further submit—

And I commend this particularly to the Minister of Justice whose questions were asked in an entirely opposite sense:

We further submit that price maintenance does not mean fixed prices because they fluctuate up and down.

I had hoped to be able to give figures on that point, but I do not have them. I am sure they are available. I tried to get them today but I have not had time. We have had a rather busy day today. I hope to be able to get these figures. If we have the opportunity to discuss this on a future occasion I hope to be able to prove this, and I hope the opposite impression which does exist here may be done away with. I want to go on and read something further that Mr. Harris said on page 260. He was questioned by Mr. Boucher, who I think was one of the counsel who were good enough to come and assist the committee out of the goodness of their hearts:

Q. On page 1, point 1 of your brief, you say that resale price maintenance is a stabilizing factor in our economy. What does your group mean by the statement that resale price maintenance is a stabilizing factor?

A. We mean that prices, as you know, are always in movement; they are always fluctuating. Now, let us take an example of one town or one city, and one retailer in it who cuts the price. It may be that the bank is pressing him, or he may have some other reason; but the price structure immediately is broken in that particular community.

Where price maintenance does not exist there is a strong inclination for other retailers immediately to follow, and their prices will drop. Their prices cannot remain permanently down, because it would be unsound price cutting, and their businesses could not live at such a level of prices. But, because we are human and extremely competitively inclined, a great many retailers would undoubtedly cut their prices down to the level of the first retailer, and in that way the price structure of the community would be fluctuating up and down so that the consumer does not know what the proper value is.

I commend that again, Mr. Speaker. There is the statement of a man who is in close touch with marketing. I believe the description he has given is correct. I think when we try to speak inflexibly about these matters we immediately run into exceptions of this kind which he has just mentioned. Mr. Boucher questioned him again as follows:

Q. Would not, in many cases, resale price maintenance retain nominal profit margins to the detriment of profit volume?

That is a very important question, because it is suggested that resale price maintenance might have the effect of restricting consumption, thereby restricting production and thereby injuring the activity of manufacturers. This was the answer:

A. I would like to answer that a little more fully, if I may. I am very glad you asked that question. I checked with the buyers in our own business to get their views on price maintenance and some of them said "we are against it" and I said "why" and they said "because it does not give us a sufficiently wide margin of profit." There is a very decided tendency, and it is generally recognized in the retail trade that on price-maintained items you do not get the same margin of gross profit that you do on those items which are not price maintained. It is the constant search of every buyer to find other than price maintained items to keep his maintained mark-up, as we call it, at a level which allows his department or his store to show a profit.

[Mr. Macdonnell (Greenwood).]

I was interested in that because, as far as it goes, it would appear to indicate the opposite of what is being suggested often without figures to back it up, namely that price-maintained articles are steadily and generally at a higher level than others. I have here some figures from a responsible source. They are a lot of drug items. I am not going to read them in great detail. It is a list of 216 altogether. Most of them, if not all, except 17 items of household drugs are price-maintained. I will read some of the increases. This is based on 1935-39. Bear in mind that this compares with the rise in the general cost of living of something like—

Mr. Garson: May I ask the hon. member the source of the figures he is using?

Mr. Macdonnell (Greenwood): I think the minister will have to take my word for it. It is a very responsible businessman who deals in this kind of thing. I am satisfied myself that it is reliable. If the minister finds figures that seem to disprove these I will have to back my champion. I do not mention people's names without their permission, and I did not ask permission to mention the name; therefore I shall just have to ask the minister to believe that I believe these.

Mr. Garson: He is a druggist, though?

Mr. Macdonnell (Greenwood): He is in the drug business, yes.

Mr. Garson: Quite.

Mr. Macdonnell (Greenwood): I propose to read perhaps half a dozen of these, which I am assured are price-protected: antiseptics and disinfectants are listed there as 117·6, that is, in relation to 100 on the 1935-39 base; baby products, 121; effervescent salts, 113; insecticides, 117·7; ointments and salves are higher, 119. Against these I have read there is a list of 17 household products which are without price protection, and in that case the figure is very much higher, 154·9. That seems to tie right into what Mr. Harris has said in the evidence that I have just read:

It is the constant search of every buyer to find other than price-maintained items to keep his maintained mark-up, as we call it, at a level which allows his department or his store to show a profit.

The minister gave some figures the other day, and I may say that I checked up and I found they were correct; at least they were confirmed by this same source.

Mr. Garson: You really did not suspect they would be otherwise?

Mr. Macdonnell (Greenwood): Well, we all make mistakes. I have actually made mistakes myself. I was very surprised about these figures. I hoped to find there was some misunderstanding with regard to them; but with regard to those items I was assured it was not so, so I was glad to see these others which seemed to give a very different picture. I say I have been interested in Mr. Harris' evidence, because we have all been arguing that the people who should be listened to are the people who are in the business and who actually do buy and sell. We all recognize that they have a firm approach to the matter. They may have a limited view, but at any rate their views are based on that greatest of all realities, the red and black figures in a balance sheet. There is nothing in the world like that to give reality to a man's thinking.

Mr. Studer: About time to change the record.

Mr. Macdonnell (Greenwood): I am sorry the hon. member is suffering as much pain as he evidently is.

Mr. Speaker: Order. The hon. member's time has expired.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I realize this statement is made on many occasions, but I can assure the house that I had no intention at all of having anything to say in this debate, until it became evident that we would not finish tonight. So, as I sat on the committee and listened to the evidence produced there by those in support of resale price maintenance and those who were opposed to that practice, I felt that I might express my views for a few moments.

As I have said, groups representing manufacturers, wholesalers and retailers appeared before the committee. In many cases they had helping them present their case the very best that could be found from the legal profession. We had with us also those who represented labour, co-operatives, the federation of agriculture, and other groups. I believe if we had the figures they would show that those representatives spoke for millions of people in Canada.

For this reason I have been firmly convinced since the time the committee was set up that at least 85 per cent of the people of Canada are in favour of the legislation the government has now placed before the house. In summing up the evidence presented before the committee I am firmly convinced that the cost of trading or of retailing, whichever you wish to call it, varies considerably. One store may carry a huge stock and operate an expensive delivery service. They may give credit terms that the small dealers are not able to give. The small dealer, the person who in my opinion will be benefited rather than hurt by this legislation, concentrates on the quick-selling lines, and he trades in a cash and carry fashion.

In other words, one consumer purchases over the telephone while the other takes a shopping basket and walks a long distance to save a few dimes here or twenty-five cents there or fifty cents somewhere else. But resale price maintenance provides exactly the same profit to both merchants, regardless of this fact. And although different services are provided, the people who do not wish to pay for this de luxe service are obliged to do so under the practices of resale price maintenance.

Mr. Sinclair: That is true.

Mr. Stuart (Charlotte): I noted tonight before six o'clock that when the hon. member for Greenwood (Mr. Macdonnell) was speaking he mentioned that he had not been able to read all the evidence produced before the combines committee, and that he did not feel he was in a position to make up his mind as to what he should do in this regard until he had found time to read those proceedings. When he said that I thought to myself that when the house is in session and there are at the same time ten or twelve committees sitting, the evidence before some of which may be very long, he is a very fine parliamentarian indeed who reads all that evidence before deciding how he can vote.

Mr. Macdonnell (Greenwood): I did not say I was going to read it all.

Mr. Stuart (Charlotte): I thought from the hon. member's statement that he was expecting to read it all before he would know how to act in connection with this legislation. I am saying that any member who decides that he must read all the evidence taken before committees of the house, and all the briefs presented before them, and that he must absorb all of it before he can make up his mind as to how he will vote, will be a long time making that decision.

Another point that was noticeable in the remarks of the hon. member was that he singled out statements in different parts of the evidence. Sometimes that is very confusing, because reading only part of a statement may give the wrong impression. If the hon. member had read the whole statement it would have given a different impression altogether. One leaves a wrong impression when he quotes only a short statement.

As an example I would refer to a witness who appeared before the committee on behalf of the Ontario hardware dealers. I believe hon. members will agree that he was a brilliant witness, and that he gave evidence in support of resale price maintenance. However, toward the end of his testimony he was asked why the T. Eaton Company support this legislation. After making two or three different answers he came out with the statement that he thought perhaps the T. Eaton Company would rather run their own business than have someone else run it for them. In my opinion that is the very thing resale price maintenance is doing in this country today. It is running the businesses of people who would like to run their own business.

Mr. Sinclair: Hear, hear.

Mr. Stuart (Charlotte): Let me say that I have received from my county two letters asking me not to support this legislation. One of those letters came from a hardware dealer and the other came from a druggist. Those were the only two I received. On the other hand I have received several asking me to support the legislation. I realize that what I am saying is going on record, and that the people down there will know exactly the interest that was taken, so far as this legislation is concerned, from the standpoint of the retailer.

There were long discussions in the committee with regard to what are known as loss leaders. If one had time to read all the evidence he would find that every witness who appeared before the committee representing manufacturers, wholesalers or retailers was asked for his definition of a loss leader.

An hon. Member: The leader of the opposition.

Mr. Stuart (Charlotte): We are just as far away from the definition today as we were the day the committee was set up. One cannot find two people who are of the same opinion. Not more than one or two would voice any opinion at all.

Mr. Balcom: Has the hon. member a definition of loss leader?

Mr. Stuart (Charlotte): I am glad the hon. member asked that, because I have. A loss leader is the finest thing that was ever put on sale in any branch of retail business, for the benefit of the consumer. That is my definition of it.

Mrs. Fairclough: In the United States or in Canada?

[Mr. Stuart (Charlotte).]

Mr. Stuart (Charlotte): In the final analysis the consumer reaps the benefit. He gets the bargain, and there are very few in the world today.

I believe resale price maintenance is a procedure obviously designed to prevent and which does prevent the lowering of prices. There is no question in my mind about that. The very words that describe the practice, "resale price maintenance", convince me that it is not for the benefit of the consumer. It is certainly for the benefit of the retailer or the wholesaler, whoever wishes to apply it. The consumer can never derive any benefit from it.

When we look back over the record to the time the trouble started in Korea we must all realize, although some may not admit it, that big business in this country began to stockpile. There is no question about that. They were of the opinion that if a war broke out many things would be in short supply and perhaps impossible to get at all. I could name plenty in business, if I wanted to, who did some stockpiling. But I will say they are the fellows who are worrying today. It is not the small merchant the opposition is worrying about; it is the big fellow who has stockpiled, and he is scared blue for fear this legislation may force him to take a loss. The little guy has not these stockpiles; it is the big guy who has them. I know one gentleman who sits in this house who is in business in a rather big way and he told me that he had 150 refrigerators in his basement. It is not the fellow with the pound of coffee, a few pounds of tea and some lard and sugar who is worrying; the fellow who is doing the worrying is the big fellow, and he is the man who is putting the pressure on so far as this legislation is concerned. It is not the little fellow in the corner store on whom so much emphasis has been placed in this debate.

The leader of the opposition (Mr. Drew) spoke yesterday, and I believe if he had kept on a little longer he would have convinced himself that this legislation was good legislation. I say that in all sincerity. One thing he mentioned, in fact he emphasized it to some extent, was the wonderful service the drug stores of this country are giving to the public today. I see some of my druggist friends in the house. I do not think one member in this house will argue with that statement. Many drug stores in this city have little trucks and cars and will deliver anything you want from a nipple for a baby's bottle—

An hon. Member: Coca-cola.

Mr. Stuart (Charlotte): If people want to pay for that service, I do not quarrel with

them. They have a perfect right to pay for that if they want to. But the man with a small salary may not want to pay for such service and he should not be forced to. That is exactly what resale price maintenance does. I should like to give just one more example. Some hon. members are able to stay at the Chateau Laurier hotel while others are not. If an hon. member staying there decides tomorrow morning that he wants to send out some laundry, he calls a bell boy, it is picked up and returned that night. But he pays about 30 cents a shirt for that service.

Mr. Mutch: Twenty-eight cents.

Mr. Stuart (Charlotte): But there are some of us poor fellows who pack our laundry and take it up the street and leave it at a laundry, and we get our shirts done for two for a quarter. I do not quarrel with those who want to pay for the service given at the Chateau, but if there are others who do not want to pay for that kind of service they should not be obliged or forced to.

You could talk here for the next six months, and you could not convince me that resale price maintenance is good for the little man, that it is good for the consumers of this country. I believe most people are of the same opinion as myself. We should not forget the housewife whose husband is perhaps earning only a small income. We should not deny her the privilege of taking her shopping basket and buying the things for which she is willing to pay cash and carry them home. She does not want all this de luxe service that has been mentioned time after time. She does not want to pay for that; she is willing to carry her own purchases. But under this system she would not be able to do that. She does not want to use and pay for all that service, but that is exactly what resale price maintenance will force her to do.

There is one other thing I should like to refer to briefly. If I may I should like to place on the record a brief that was sent to the committee, which I feel tells the story much better than anything I have been able to read or any explanation I could ever hope to make. I think most hon. members will agree that when a manufacturer sets the price the retailer becomes his agent. There might be some quarrel with that statement, but everyone knows the position of the automobile dealer. He is not considered to be a retailer; he is the agent of General Motors or Ford Motor Company. When you have resale price maintenance you have the same thing applying to the whole retail trade. The retailers are not retailers any more; they are agents of the manufacturer. There is no incentive for them to try to buy a little cheaper for the consumers. They are simply the agents of the wholesaler or manufacturer. There is no other description for them. The price is set for them and there is no encouragement to buy an article that they can sell a little cheaper. That situation applies anywhere that resale price maintenance is adopted.

I believe that the retailers in Canada are good citizens and are doing a job for the community. I believe the retailers of Charlotte county are trying to buy the best goods obtainable at the lowest price. In order to do that the retailer shops around among the manufacturers to get the best goods he can at the cheapest price possible. He tries to improve the efficiency of his shop, and to bring the best goods to his friends at the lowest price.

That type of retailer is the purchasing agent of the consumer. Is a retailer to be a selling agent for the manufacturer, selling at a price fixed by the manufacturer, or is he to be the purchasing agent of the consumer, buying the best goods obtainable and selling them to the consumer and his friends at the lowest possible price? Who is the better merchant? I leave it to the members to judge.

In substantiation of what I have said I should like to read a brief which I believe is indicative of the attitude of retailers from Newfoundland to British Columbia. This brief is addressed to James Sinclair, Esquire, M.P., chairman, special committee on resale price maintenance, and it comes from Woodward Stores Limited of Vancouver, B.C. This is not a brief from New Brunswick, it is one from British Columbia that I have chosen.

Mr. Fulton: Do you know how big Woodward stores are?

Mr. Stuart (Charlotte): I know how big they were at one time.

Mr. Sinnott: We know how small you are.

Mr. Stuart (Charlotte): One of the hon. members from British Columbia told me his mother had told him she could remember when the proprietor swept out the store himself. This brief is—

Mr. Browne (St. John's West): Mr. Speaker—

Some hon. Members: Sit down.

Some hon. Members: Order.

Mr. Browne (St. John's West): Mr. Speaker, on a point of order.

Mr. Howe: There is no point of order.

Mr. Browne (St. John's West): I have a point of order.

An hon. Member: Sit down.

An hon. Member: Give him a chance.

Mr. Browne (St. John's West): I rise on a point of order. The hon. member is quoting from a brief which was submitted to the chairman of the committee and I should like to ask if that brief was published.

Mr. Speaker: Is the hon. member asking a question of the hon. member who has the floor?

Mr. Browne (St. John's West): I was asking the hon. member if it is published in the report and, if so, at what page I can find it.

Mr. Sinclair: Apparently the hon. member has not bothered to read the proceedings of the committee. This brief was submitted to the chairman of the committee, and, like every other brief submitted to the chairman, was printed in the proceedings of the committee and is a matter of public record.

Mr. Fulton: All the hon. member is asking for is the page number.

Mr. Sinclair: It is in the last or the second last of the day's proceedings.

Mr. Stuart (Charlotte): Page 818.

Mr. Speaker: Is there another point of order?

Mr. Macdonnell (Greenwood): Can we not even ask questions?

Mr. Knowles: Merry Christmas.

Mr. Sinclair: You could not find a royal commission report in your own province, so how can you find anything else?

Mr. Browne (St. John's West): I suggest the hon. member address the chair.

Mr. Speaker: Order. Hon. members apparently have decided the point amongst themselves.

Mr. Stuart (Charlotte): If I may continue now, I should like to read from the brief of the Woodward organization, to be found at page 818 of the proceedings of the committee. It reads as follows:

> For many years the Woodward organization has sought by every means in its power so to conduct its business that it can offer the best merchandise to customers at the lowest possible prices. This we believe to be the major purpose of the merchandising profession. Price maintenance however has made it impossible for the merchant to reduce his prices below an arbitrarily fixed minimum, and has nullified his constant search for new techniques which will enable him to sell for less. We wish therefore wholeheartedly to endorse the recommendation of the MacQuarrie committee against resale price maintenance.

[Mr. Browne (St. John's West).]

I want hon. members to listen to this part carefully.

> Experience has taught us that business interests are best served by placing first and foremost the interests of the public.

Truer words were never spoken.

Mr. Fulton: Every little retailer said the same.

Mr. Stuart (Charlotte): It continues:

> It is possible that certain manufacturers may benefit by their ability to command a predetermined price for their product, whatever its quality may be. It is possible that certain retailers may derive advantage from the restriction of effective competition. But it is also sure that the consumer is frequently denied savings he might have enjoyed through the efficiency which only competition can promote.

True again, Mr. Speaker.

> The use of competitive methods in bringing merchandise to the public is a powerful weapon against inflation.

Mr. Fulton: May I ask the hon. gentleman a question?

Mr. Stuart (Charlotte): Not until I am through. These people would really have us worrying about the introduction of this bill.

Mr. Sinclair: He has spent two and a half hours already boring us.

Mr. Fulton: I just wanted to ask a question. If the hon. member does not want to answer it he does not have to.

Mr. Stuart (Charlotte): The Progressive Conservative group has emphasized the fact that the government is doing nothing to fight inflation, but they have fought tooth and nail the very first measure introduced that might help the situation.

Mr. Fulton: Does Eaton's support the same views as Woodward's?

Mr. Stuart (Charlotte): It continues:

> Many forms of retail outlet are to be found in Canada. There are stores where customers serve themselves in order to save, and stores where they may receive exclusive individual attention.

Our drug stores are an example.

Mr. Fulton: Or Eaton's or Woodward's.

Mr. Stuart (Charlotte): It continues:

> There are stores where they may order by telephone, have delivery, purchase at the same price for credit as for cash, and there are stores where none of these advantages are offered.

Mr. Fulton: Like Eaton's and Woodward's.

Mr. Stuart (Charlotte): Continuing:

> Is it reasonable to compel them all, irrespective of the amount of service they offer and irrespective of their widely different operating costs, to sell their product at the same price—and that price the highest the market will bear?

Mr. Fulton: Like Eaton's and Woodward's.

Mr. Stuart (Charlotte): I do not believe I interrupted the hon. member for Kamloops (Mr. Fulton) when he spoke, and he spoke for over two hours. I have not said a word yet in this debate.

Mr. Howe: He is just being tiresome. Don't pay any attention.

Mr. Speaker: I think it is only fair that the hon. member for Charlotte (Mr. Stuart) should be allowed to continue.

Mr. Sinclair: These are not matters we learned at either of his alma maters; I can assure you of that.

Mr. Stuart (Charlotte): It goes on:

The whole of our Canadian economy is geared to a free enterprise system.

That must sound good to the people to the left.

It is the basis of our political creed.

Again it sounds great.

The man in the street has faith in it. He believes that sooner or later unfettered competition and the laws of supply and demand will defeat the bogey of inflation. The freezing of competitive selling is the very antithesis of free enterprise. For these reasons we oppose and have opposed it in principle and practice for sixty years. We strive to sell merchandise in an efficient manner and at minimum margins consistent with good business. This too is the aim of many manufacturers with whom we do business and who have built up for their products an enviable reputation respected by retailers and consumers alike. It is no more to the interest of the retailer than of the manufacturer to sell acceptable merchandise unprofitably. In free competition with other lines a product invariably finds its own level, and the manufacturer who has earned a good name will continue to enjoy the patronage of the consuming public.

I believe that proves he will receive that patronage whether or not what he sells is price-maintained.

Mr. Sinclair: That is why the Tories have had no patronage for the last twenty years, because they have not a good name.

Mr. Stuart (Charlotte): I continue:

Many products that have no resale price set by their manufacturers have sold successfully and profitably over a long period. There is no reason why the merchandise sold at maintained prices today—

Mr. Casselman: The first smile in four days.

Mr. Riley: Be careful, Jimmy; the leader of the opposition (Mr. Drew) is leering at you.

Mr. Drew: I am enjoying it.

Mr. Stuart (Charlotte): It reads:

There is no reason why the merchandise sold at maintained prices today would not enjoy a similar success when freed from resale restrictions. Much of our merchandise is not price controlled; yet the practice is growing and as it grows, so surely is the stimulus of competition eliminated. So too grows the prevalence of excessive trade-in allowances, of premiums and prizes offered with major purchases to present an illusion of extra value. Sound business ethics demand that savings effected by competent merchandising be passed directly to the public.

That is the brief that was presented by Woodward Stores Limited of British Columbia. I am informed by a British Columbia member that the manager of that store today at one time swept the floors of a store that belonged to somebody else. That is the way they have built up the enormous business they have today, which I understand is one of the biggest retail outlets in British Columbia.

Mr. Fulton: One of the biggest.

Mr. Sinclair: This is a free enterpriser speaking, and not a socialist.

Mr. Stuart (Charlotte): They have built up that business not as selling agents for manufacturers but as purchasing agents for consumers. They have done so in spite of pressure that may have been brought to bear on them by manufacturers in central Canada, and there has been plenty of it. This is the creed of a real Canadian, a free enterpriser, and Canada is still a place for many of them.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say a brief word or two with respect to the subamendment moved this afternoon. When I spoke on the motion for the second reading of Bill No. 36 on Tuesday last I gave the reasons why I was convinced that the legislation proposed was necessary and good legislation. At the same time I cautioned the government that they would have to be on their guard against predatory price cutting by large concerns, especially if in the future we get back into a buyers' market when prices may become something like chaotic. I also stated at that time that I believed more settled conditions throughout the country would doubtless bring us into a period that could be called a buyers' market.

I also stated my conviction that everything possible ought to be done to protect small retailers throughout the country. I said if I were convinced that the bill would endanger the position of the small retailers I would do my very best to have it held over or to defeat it. I should like to say something tonight by way of extension of my remarks in connection with these two phases of the problem before us.

When I read the amendment that was moved by the charming lady member for Hamilton West (Mrs. Fairclough), I saw in it some things that interested me a great deal. I believe it contains a suggestion which parallels to some extent what we tried to do in the province of Alberta about 1936,

when our Social Credit party was successful in forming a government in that province. We found, of course, the general economy in a depressed state. There was a condition of stagnation, and prices were chaotic. For several years prior to the time we took over in 1935 that had been the condition; but in 1936 we did make an effort to do something about what was then called the loss-leader practice. That was one of the means by which the price situation was thrown into a chaotic state. We decided that one of the best ways of dealing with the problem was to get the retail merchants throughout the province to unite in asking the department of trade and industry to establish what later became known as retail codes.

These codes were drafted with the help of the retail merchants and under the guidance of the department of trade and industry. Certain boards were set up for the purpose of assisting retailers throughout the province to establish once more some orderly system of pricing. In a large measure it was successful, right up until the time goods became scarce after the outbreak of war. The retailers and government board did succeed in fairly well eliminating from the whole province of Alberta the loss-leader practice, and it was done in the democratic manner which I think is envisaged in the subamendment which the member for Hamilton West has moved.

I believe, Mr. Speaker, it could be said with truth that what we did in Alberta was merely a horizontal price regulation; that is, it dealt only with retail prices through all the retail outlets. But I see no reason why the principle cannot be applied in a vertical fashion as well, from the manufacturer to the wholesaler and the retailer. I know, from our experience in Alberta during the thirties, that any time the public felt they should be heard, and quite rightly so, it was the policy of the board under the department of trade and industry to listen to their protests. As a result of some of the conferences that were held, price adjustments were agreed to; but it was more a matter of bringing the retailers and consumers together and helping them reach some sort of democratic agreement. It worked out, I thought, extremely well, until it became unnecessary to use it because loss leaders did disappear from trade practice in this country with the outbreak of war or shortly afterward.

In a measure the same principle is being applied today in our province with respect to the pricing of milk, and through the public utilities commission the pricing of gas. The gas companies do not just set prices anywhere they wish. The price has to be set after very careful consultation with the board of public utilities commissioners. The same thing is true with respect to rents. We have in the province of Alberta a very interesting board that was appointed as a result of the abolition of rent controls in Canada. This board attempts to bring the tenant and landlord together to help them reach an agreement on the amount of rental that shall be charged. I am told that of all the cases that have come before that board, over 90 per cent are concluded by way of agreement between the two parties, without any dictation by the board. In the other small percentage the board listens to both sides very carefully, and if the parties cannot reach an agreement the board sets a rental which is fair. We think that is the democratic way of proceeding. It has succeeded very well in those fields. I see in the amendment moved by the member for Hamilton West the same principle. I do not see why it could not be applied in an orderly fashion throughout Canada.

This afternoon the leader of the opposition (Mr. Drew) produced some evidence to the effect that perhaps such an arrangement as I have suggested might not be intra vires of the federal government. It seems to me that, through agreement with the provinces, some sort of permissive legislation could be passed by this parliament which would govern interprovincial arrangements and trade agreements, and that under that permissive legislation passed by this house provincial legislation could be passed which would set up provincial boards or commissions to deal with matters that are entirely provincial in their character. I believe something of the sort was suggested in the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), if I interpret it correctly. But in connection with this subamendment, Mr. Speaker, I see in it a proposal that in my judgment is reasonable and quite sound. It would bring about orderly pricing in times of depressed trade conditions in the country. I would urge the Minister of Justice (Mr. Garson) and the government to give careful consideration to that proposal as a means of ensuring fair treatment to all our small merchants throughout Canada, and of preventing chaotic price cutting or what the Minister of Justice described the other day as predatory price cutting. The other day I said I feared that with the coming of more settled world conditions we could easily slide into a period of depression or at least business recession. It is during periods of recession that we have these difficulties. I suggest in all seriousness that the minister take this

matter under careful consideration, because I think he is going to need something to protect merchants when this bill is passed.

I welcome the opportunity of expressing an opinion on this amendment, because it contains the very things which we have been trying to practise in a provincial way within the province of Alberta. Because I believe there is merit in the suggestion I propose to support the amendment. If that does not pass, then of course I still propose to vote for the bill.

Mr. Adamson: Will the member for Peace River (Mr. Low) permit a question? When he mentioned gas he was referring to natural gas, I assume, and not gasoline?

Mr. Low: Yes. I am sorry I did not make that clear. It is natural gas, not gasoline.

Mr. Adamson: I asked that question, Mr. Speaker, because it is exactly the same sort of regulation which controls the sale of natural and manufactured gas in Toronto through the Consumers Gas Company.

Mr. Low: Yes, because we looked upon it as a public utility. I think it has been declared as such practically everywhere, and as a public utility it becomes subject to regulation of the kind I suggested.

Mr. Adamson: Is it working out well in Alberta?

Mr. Low: Yes; very well.

Mr. Coldwell: May I ask the hon. gentleman a question?

Mr. Low: Yes.

Mr. Coldwell: What you have proposed differs fundamentally from the fair price idea in the United States, does it not?

Mr. Low: I am afraid that I am not too well acquainted with the fair price arrangements in the United States, I must confess. But whatever the fair price arrangement may be there, I read into the subamendment pretty much the thing we have today in the province of Alberta, and it has worked out fairly successfully as far as it has been applied.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I think we should all recognize that this is a big subject, and one that is not at all new. I have here a book which I found in the library entitled "Price Control under Fair Trade Legislation in the United States". It was published in 1939. It deals with the practices then prevailing—that was twelve years ago—in 41 of the 48 states of the United States. It also refers to the fact that this practice of maintaining prices has been in vogue in Great Britain and in Germany since the last century, and had been introduced in the United States about the beginning of this century. Although we hear of it perhaps for the first time, it is a well-established practice and hon. members should really have time to study it in order to make up their minds properly upon so vast and comprehensive a subject.

I listened with great interest, as well as I could, to the hon. member for Charlotte (Mr. Stuart); because, Mr. Speaker, it is extremely difficult to hear down at this end of the chamber owing to the poor acoustics, for which the Minister of Public Works (Mr. Fournier) is responsible, because he has not introduced the system which was approved last session.

Mr. Gardiner: It is a Victorian system.

Mr. Browne (St. John's West): The Minister of Public Works cannot even hear me across the floor. I am doing my best to make him hear. I could not hear all that the hon. member for Charlotte said. I heard his beginning, however, in which he stated that there had been large groups represented before the committee on combines legislation, and that he believed about 85 per cent of the people of Canada were represented there. Does he for a moment imagine that all those people were absolutely unanimously behind this project? How can he think that?

Mr. Stuart (Charlotte): I rise on a point of order, Mr. Speaker. I certainly did not say that 85 per cent of the people were represented there. What I did say was that 85 per cent of the people of this country were supporting the legislation that is before the house at the present time. That is exactly what I said.

Mr. Browne (St. John's West): I probably misquoted the hon. gentleman, but not intentionally. I have here a note of what he said. He said 85 per cent of the people at least were in favour of that legislation. I think he will admit that.

Mr. Stuart (Charlotte): I said "the people of Canada".

Mr. Browne (St. John's West): I know the hon. gentleman has not had the opportunity of taking a Gallup poll. He has not had any better opportunity of testing the opinions of the people of this country than we have had.

Mr. Ward: Have you?

Mr. Browne (St. John's West): No. But I say he has had no better opportunity than we have had, and he has no greater knowledge than we have. We are just as much interested in getting the support of 85 per cent of the people as are those on the other side of the house. We do not think what he has stated represents the fact or even approaches the fact. I suggest to the hon. gentleman that

at this busy season of the year it is extremely difficult for people to give consideration to a question like this, when we who are here sitting in the house have found it so difficult. Half the members are away. I think the hon. member for Coast-Capilano cast a reflection or an aspersion on some of the members who had not read the proceedings. The hon. member for Charlotte pointed out, however, that it was impossible for members to read the various reports of the committees, with half a dozen sitting at the one time, all of them with voluminous documentary evidence. I certainly agree with him. What he said is perfectly true.

Mr. Gardiner: Have you no knowledge other than what you read?

Mr. Drew: It is a great advantage to have read something.

Mr. Browne (St. John's West): I do not know whether the Minister of Agriculture (Mr. Gardiner) is serious in asking that question. He certainly does not indicate a high appreciation of any knowledge or ability that I might possess.

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): I will not suggest that he is out of order in saying that because I confess to having little knowledge of this subject, but I am anxious to find out; and between this date and the 27th I can certainly promise the minister that I am going to make an attempt to read as much of the evidence as possible. I do not know whether it can be called evidence. Most of it consists of briefs such as that read by the hon. member for Charlotte; but what is contained in that huge book, running to 872 pages, I am going to attempt to read. I hope to read as much of that as I can in the next week before December 27, when we resume.

Mr. Gardiner: A good deal of it will be interested pleading.

Mr. Browne (St. John's West): I have read some of it already and I think it is interesting. I think it is a most interesting study. I endorse the suggestion made by the hon. member for St. James (Mr. Beaudry) that we should all read it. He commended it to us, and I suggest that we read it. I suggest that we try to get an extra copy, and give it to our wives to read during the Christmas season.

Mr. Rinfret: As a Christmas present.

Mr. Browne (St. John's West): It might be appreciated. The hon. member for Charlotte is an extremely pleasing speaker. He certainly pleased all the members on his side of the house. He is a convincing speaker; I will grant that much. He talks plausibly. He spoke about the freedom of the housewife to take her shopping basket and go around to the stores saving a few cents here and a few cents there; he mentioned ten cents here and ten cents there. That is what he spoke about. He must be aware of the fact that generally when the lady goes out with her shopping basket it is to get groceries; and those are the items which are least affected by this particular subject of resale price maintenance. I do not know what causes the hilarity of the Minister of Justice (Mr. Garson). He sometimes laughs without reason.

An hon. Member: Just nervousness.

Mr. Browne (St. John's West): I do not know why he is laughing at the present time.

Mr. Garson: I do not mind telling my hon. hon. friend. It is too good to keep to myself.

Mr. Browne (St. John's West): What is it?

Mr. Garson: The hon. member for Charlotte (Mr. Stuart) inferred from your remarks that you were suggesting that the ladies did not wear clothes because they shopped only for groceries.

Some hon. Members: Oh, oh.

Mr. Hees: Shame.

Mr. Adamson: The government is advocating nudism laws now.

Mr. Rinfret: Are you against it?

Mr. Adamson: I am opposed.

Mr. Fulton: If the government stay in power very long, the ladies will not be able to buy clothes. Prices will be too high.

Mr. Browne (St. John's West): I think what the hon. gentleman meant was that when the ladies went out with a shopping basket it was to get groceries.

Mr. Stuart (Charlotte): I meant exactly what I said. A lady could go out with a shopping basket without buying groceries. She could be buying clothing, she could be buying drugs. I did not mention groceries. You are not going to put those words into my mouth. You look the record over tomorrow and you will find that groceries were not mentioned.

Mr. Browne (St. John's West): The hon. member did not mention that word.

Mr. Stuart (Charlotte): I did not insinuate that; why did you?

Mr. Browne (St. John's West): That is, of course, the usual thing for a lady to buy when she goes out with a shopping basket.

Mr. Stuart (Charlotte): She could buy lots of other things such as clothing or drugs.

Mr. Browne (St. John's West): Yes. I have as much knowledge of what a woman uses a shopping basket for as you have.

Mr. Fulton: He takes it for smuggling.

Mr. Hees: He takes it across the bridge.

Mr. Browne (St. John's West): I therefore suggest that when the lady of the house takes up her shopping basket, it is to buy groceries; and it has been stated that only 1 per cent of the lines in the grocery stores are covered by resale price maintenance.

Mr. Stuart (Charlotte): I rise on a question of privilege, Mr. Speaker. I did not suggest that she bought groceries. There is nothing in any remark I made that would suggest that she would be buying groceries. I admit that there are few groceries themselves which are covered by resale price maintenance. I spoke of her shopping basket. My wife does not go out to buy groceries only when she takes her shopping basket. She buys clothes. She has to have them. I suppose others do the same. There is not a word about buying groceries.

Mr. Browne (St. John's West): I will come to that matter in a moment, but I am dealing with groceries at the present time because that is something she has to get almost every day. Every housewife throughout the country has to get groceries almost every day.

Some hon. Members: Hear, hear.

Mr. Browne (St. John's West): If you go into an A. & P. store you will see them there with huge baskets of groceries. Some people can arrange to buy a whole week's groceries at the one time, but certainly the commonest thing you will see is a lady bringing in her shopping basket for groceries. Let us say for argument's sake that she is going to buy other things. The hon. gentleman is very confident in his argument.

Mr. Stuart (Charlotte): What are you in yours?

Mr. Browne (St. John's West): And he thinks so confidently of his. One would think that there is no other side to the thing at all.

Mr. Stuart (Charlotte): We have listened to the other side for about two weeks.

An hon. Member: We have not heard any other side yet.

Mr. Deputy Speaker: Order.

Mr. Browne (St. John's West): The hon. gentleman may not be in the mood to hear the other side, but I am going to give an illustration that was brought to my attention yesterday. We will suppose that the housewife is not going out for groceries. She is going out to do her Christmas shopping.

An hon. Member: To get a bottle of aspirin.

Mr. Browne (St. John's West): And she is going to get presents. She is going to get a scarf for one son and a pair of gloves for another. This happened yesterday right here in Ottawa. It is an absolute fact. I went into a shop yesterday.

Mr. Knowles: Don't you usually recite facts?

Mr. Browne (St. John's West): No.

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): Neither does the hon. member for Winnipeg North Centre, because the hon. member usually deals with theories, but we speak—

Mr. Knowles: The hon. member fell into his own trap and he can't get out of it.

Mr. Browne (St. John's West): No, I did not fall into any trap; I am perfectly aware of what I am talking about. There are other things in the world besides facts. There are ideas too, you know. Yesterday I went out to do my Christmas shopping and I looked at some gloves.

Mr. Herridge: You were not away long.

Mr. Browne (St. John's West): No, I had to do the business quickly and get back to the house. I looked at men's scarves, and I saw one there with a brand name on it.

Mr. Knowles: The hon. member should do his shopping in Newfoundland.

Mr. Browne (St. John's West): There was a well known name on the scarf and the price marked on it.

Mr. Fulton: I suppose you did yours in Winnipeg.

Mr. Knowles: I hope to be there tomorrow.

Mr. Browne (St. John's West): I know this scarf is the same price across the country from St. John's to Vancouver, and anyone else who knows this subject of resale price maintenance knows that as a standard brand it is being sold at the same price from St. John's to Vancouver, so I bought it. Then I went to look at some gloves, and I was shown a pair of gloves for $4.25, but on Saturday last I saw the same gloves in another part of Ottawa for $3.90.

Mr. Herridge: You were late.

Mr. Browne (St. John's West): No, I was not late at all. This is a serious point, Mr. Speaker. They sold in one store for $4.25 and in another store for $3.90.

Mr. Sinnott: That is free enterprise.

Mr. Browne (St. John's West): The Minister of Justice will say if you shop around you will be able to get a cheaper pair; but do you not see that the people who do not know the store that is selling them cheaper have to pay the higher price in this other store, and it works both ways. You might pay a higher price in one store and a lower price in the other. Is that not the common experience all the way through, and that our wives sometimes get taken in when they pay too much in one store?

Some hon. Members: Oh, oh.

Mr. Knowles: Let the hon. member speak of his own wife.

Mr. Garson: Will the hon. gentleman permit a question?

Mr. Browne (St. John's West): Yes.

Mr. Garson: Is the hon. member's solution to that to pass a law compelling them to charge the higher price?

Mr. Hees: The lower price.

Mr. Fulton: The lower price, obviously.

Mr. Hees: We are for the consumer.

Mr. Browne (St. John's West): What I am saying is that they have no fixed price on the article and the people in the outlying parts, especially in isolated communities where there is no competition, can put up the price and nobody knows the difference; whereas with the standard price you can pick up the paper today and you see certain brands of scarves, shirts, socks and ties each with its fixed price. I was studying that yesterday in the newspapers, and I found it was the same price in each store in Ottawa. That saves a lot of time for busy men such as members of the House of Commons. They have not time to go around with shopping baskets to save ten cents here and ten cents there. Who wants to spend all his time going around looking for bargains of ten cents here and ten cents there? The hon. member for Charlotte may be looking for bargains.

Mr. Hees: He gets them over the river.

Mr. Stuart (Charlotte): I never got a judge's salary.

Mr. Browne (St. John's West): No; you do not have to when you can save otherwise.

Mr. Hees: Over the river, Wes.

[Mr. Herridge.]

Mr. Rinfret: That is pretty cheap.

Mr. Browne (St. John's West): The hon. member for Charlotte approves of the evidence given by a hardware merchant or a hardware expert who was asked why the T. Eaton Company did not favour resale price maintenance, and he said: "Because they want to run the business themselves".

Mr. Stuart (Charlotte): Correct.

Mr. Browne (St. John's West): Later on during his talk he read us a letter which had been addressed by a store in British Columbia to the chairman of this committee. I intend to make a reference to that in a moment, but first of all I will deal with the largest retail store in Canada which itself does over 7 per cent of the retail business. One store does over 7 per cent of the retail business in Canada. It wants to run its business itself, and I do not suppose it would mind if it ruined the businesses of other people.

The hon. gentleman must be reasonable. He must admit that if this resale price maintenance policy is abolished, and it is taken off these lines, there will be nothing to prevent the huge departmental stores advertising the day after this bill becomes law that they will sell articles which were formerly priced at $5 for $3.95, $3.50, $3, or any other price.

Mr. Stuart (Charlotte): Who would benefit by that?

Mr. Browne (St. John's West): In order to attract people to the store.

Mr. Stuart (Charlotte): Who would benefit by the lower prices?

Mr. Browne (St. John's West): I will answer the hon. gentleman if he will give me time. The persons who would go there would benefit if they bought only that particular item.

Mr. Stuart (Charlotte): That would be the person with the shopping basket.

Mr. Browne (St. John's West): I am going to deal with the question of the loss leader which the hon. gentleman for Charlotte maintained was such a wonderful thing for the people of Canada. I am going to deal with that in a moment. The hon. gentleman is not in accord with the Minister of Justice, and he is certainly very far away from—

Mr. Stuart (Charlotte): We are never whipped into line on this side of the house. We all have our own opinions.

Mr. Browne (St. John's West): It has not been shown during this debate.

Mr. Hees: That is a good one.

Mr. Sinnott: We saw that going on over there yesterday.

Mr. Browne (St. John's West): The hon. gentleman says they do not want any interference, but the hon. gentleman was very superficial in his summing up of Eaton's attitude, because there is a great deal of interference with businesses of every kind; all sorts of controls have been passed in this house during the past number of years. As the leader of the opposition (Mr. Drew) pointed out today, the world is a long way removed from the days of laissez-faire. It looks as if it is the intention of the government to go back to the days of unfettered and unbridled competition, when we shall have price wars such as they had the other day down in New York, as I mentioned last night when somebody interrupted me and said: "You are absolutely wrong." I have not heard that voice explain since where I was wrong in any particular in my reference to it. There are all sorts of regulations covering every—

Mr. Stuart (Charlotte): May I ask a question?

Mr. Browne (St. John's West): You may ask a dozen if you like.

Mr. Stuart (Charlotte): After the price war was over, Macy's were still in business and the customers got the break. Do you criticize that?

Mr. Browne (St. John's West): The hon. member for Coast-Capilano (Mr. Sinclair) applauds the interjection. The customers did get the break if they bought only the particular loss-leader items. What is the purpose of a loss leader? The hon. gentleman surely—

Mr. Sinnott: You did not answer the question.

Mr. Browne (St. John's West): The hon. member for Charlotte could not give the regular definition; he prepared a definition of the loss leader, and I tried to take it down. "A loss leader is the finest thing ever put into effect in Canada" or words to that effect.

Mr. Stuart (Charlotte): "For the benefit of the consumer."

Mr. Browne (St. John's West): "The finest thing ever put into effect; a bargain."

Mr. Stuart (Charlotte): Just a minute now; on a question of privilege. I said "for the benefit of the consumer."

Mr. Fulton: You said "The loss leader is the finest thing ever put into effect in Canada."

Mr. Stuart (Charlotte): For the consumer.

Mr. Browne (St. John's West): He said "for the consumer"; I will concede that.

Mr. Fulton: Don't be jealous.

Mr. Deputy Speaker: Order.

Mr. Browne (St. John's West): After the hon. member for Coast-Capilano spoke so long, I think we ought to be allowed to have as much time as he had. Now, listen to what the MacQuarrie report says about the loss leader, and compare it with what was said by the hon. member for Charlotte. The MacQuarrie report says:

> The second practice, called the loss-leader device, is an aggressive weapon—

Now, sit down and listen to it. This is important.

Mr. Stuart (Charlotte): I cannot sit here all night.

Mr. Browne (St. John's West): Don't run away. Sit down and take it.

Mr. Adamson: This is a bear-garden.

Mr. Browne (St. John's West): I did not interrupt the hon. member, except to ask the page in the report from which he was reading. I am prepared to answer questions any time I am given a chance to answer them. The MacQuarrie report says:

> The second practice, called the loss leader device, is an aggressive weapon—

Mr. Fulton: He can't take it.

Mr. Hees: Don't run away, Wes.

Mr. Stuart (Charlotte): Wes doesn't run away.

Mr. Browne (St. John's West): If the hon. member will not stay, then I will go ahead and read it just the same, and he can read it tomorrow.

Mr. Hees: You chased him out.

Mr. Fulton: And the hon. member for Coast-Capilano with him.

Mr. Browne (St. John's West): It says:

> The second practice, called the loss leader device, is an aggressive weapon designed to attract customers for a whole range of goods by a particular type of selective and excessive price cutting.

Mark the words "excessive price cutting".

> Usually a well-known brand is used as a loss leader and it is sold at a price which has no direct relation to cost and may even result in a net loss.

That is the definition given by the MacQuarrie committee. I would ask hon. members on the other side of the house to contrast that definition with the definition given by the hon. member for Charlotte. If they have confidence in the MacQuarrie report, and if they have confidence in the committee which prepared the MacQuarrie

report, then what do they think of the opinion of the hon. member for Charlotte when he says the loss leader is the finest thing ever put into effect in Canada for the benefit of the consumer?

Mr. Hees: Well said. Hear, hear.

Mr. Browne (St. John's West): It is a good many years since I had occasion to study this question of the loss leader. However, about fifteen years ago I was very much interested in the co-operative movement in Newfoundland. One of the things which the co-operative movement had to fight was this loss leader. I remember very well reading a book by Professor Henry Smith, who was quoted with approval the other day by the hon. member for Rosetown-Biggar (Mr. Coldwell). Henry Smith said that the idea of a co-operative store was to establish a just price. Is that not what we should all want to see, a just price? That would not be the lowest possible price, not a price at which the shopkeepers are losing money, but a just price for every article. Is that not a fair way to look at things? I am sure hon. members opposite would say the same thing.

An hon. Member: Who establishes the fair price?

Mr. Browne (St. John's West): I think this subamendment would provide a fair trade commission which would see to it that fair trade prices were established.

Mr. Howe: Do you take the socialist proposition here?

Mr. Browne (St. John's West): No, it is not quite the same thing. As I understand the C.C.F. intention, it is that all prices should be regulated.

Mr. Howe: Has the federal government any authority to do that?

Mr. Browne (St. John's West): No, but you are taking the authority to interfere between manufacturer and retailer; and I am sure the Minister of Trade and Commerce in his heart does not agree with this legislation at all.

Mr. Howe: Mr. Speaker, I might say that I would like to bring a file of letters, of complaints I have heard about the working of resale price maintenance, people going broke because they did not dare to cut the price of inventories. They were out of business in either case. If they kept the inventories, they went broke; if they disposed of them they got no more merchandise. That is the sort of letter I have. In other letters they were ordered to raise prices. They did not want to raise them; they were satisfied with the old profit margin. Nevertheless they were ordered to raise prices or they would get no more merchandise.

Mr. Browne (St. John's West): I will not deny that there might be abuses in resale price maintenance.

Mr. Howe: Thank you very much.

Mr. Browne (St. John's West): But I think these things can be regulated, and it is the duty of the government to regulate them.

Mr. Sinnott: Vote for the bill, then.

Mr. Browne (St. John's West): This does not regulate them. This abolishes them. That is the purpose of it, to abolish resale price maintenance. I said the other evening—

Mr. Herridge: Is that not the purpose of the C.C.F. amendment, to regulate prices?

Mr. Browne (St. John's West): No. As I understood the answer given by the hon. member for Rosetown-Biggar (Mr Coldwell) the other day—I am not sure if it was to someone on the other side of the house—I understood him to say that it would be the duty of the state to regulate all prices.

Mr. Herridge: He said nothing of the sort.

Mr. Browne (St. John's West): I may have misunderstood him but that is the impression I got. You have been advocating it.

Mr. Herridge: Where necessary.

Mr. Browne (St. John's West): The hon. member says "Very necessary". Which answer am I to take?

Mr. Adamson: Necessary when necessary, but not necessary when necessary.

Mr. Browne (St. John's West): In connection with this question of the loss leader, I am sure the Minister of Trade and Commerce recognizes that that could easily put people out of business. He must know, because he comes from the United States, that in that country there have been many price wars of the kind that occurred the other day in New York, when people were forced out of business. I know that in reading the history of the co-operative movement—

Mr. Howe: Mr. Speaker, I wonder if the hon. member would give me the names of those who were forced out of business in recent price wars.

Mr. Browne (St. John's West): I have not that information in my mind at the present time.

Mr. Drew: Well, it might be helpful if the Minister of Trade and Commerce would give us the names of the people who wrote the letters from which he has just quoted.

Mr. Howe: I will bring them on Thursday.

Mr. Deputy Speaker: The hon. member for St. John's West has the floor and must not be interrupted.

Mr. Studer: May I ask a question? In every community there are a number of drug stores; roughly I believe they are apportioned at the rate of about one for every thousand of population. There are the Rexall stores and the Nyal stores. Those stores each year have one cent sales. They sell the same articles at the rate of two for one. I object to that kind of price maintenance. Are they not conducting loss leaders among themselves in their own community?

Mr. Browne (St. John's West): Mr. Speaker, the hon. member is very far astray in his statement about the number of drug stores.

Mr. Studer: My other facts are correct.

Mr. Browne (St. John's West): I see another hon. member supports him. Well, I took the trouble during the week to look up the number of drug stores in Great Britain and in the United States. I do not know the exact number in Canada, but I could give a very close guess, because I guessed the correct number in Great Britain when I looked into it first. There are between 14,000 and 15,000 in Great Britain, with a population of 50 million.

Mr. Sinnott: How many in Canada?

Mr. Browne (St. John's West): I would say on the same basis there would be about 4,500. Of course I am only guessing at that, but that would be the rough figure I would give. In the United States with a population of 150 million there are about 55,000 drug stores, and the number has declined between 1938 and 1949 by about 3,000. So on that basis I would say there are between 4,000 and 5,000 drug stores in Canada. But that is a different proposition from what the hon. member has said.

Mr. Studer: I was referring to western Canada.

Mr. Browne (St. John's West): I did not catch the hon. member's question. Would he repeat it?

Mr. Studer: I was referring to our country out west when I made the statement that in the average town there is about one drug store for every thousand of population. I find that in a town of 5,000 population there are about four drug stores. One will be a Rexall store and the other a Nyal store. Once a year there will be a one-cent sale in the town. We have had comments from the drug trade against this legislation. They have sent the loss leader right into the towns, with no opposition from the other drug stores.

Mr. Browne (St. John's West): I agree with the hon. member that these things happen in Ottawa. You need only to go down to the corner of Sparks and Metcalfe streets and you will see a two for one sale. But I think he is wrong about the number of drug stores. I estimated that the number of druggists would be between four or five thousand but I am now informed that there are 4,200 members of the Canadian Pharmaceutical Association. I did not make too bad a guess.

Mr. Adamson: There are 4,308 drug stores in Canada.

Mr. Browne (St. John's West): The same proportion applies to the United States, the United Kingdom and Canada. The hon. gentleman referred to these two for one sales, but the fact is that those sales do not take place in connection with resale price maintained articles; they take place in connection with articles which are not governed by resale price maintenance. If anyone with discretion goes into those stores he will be wise not to buy articles that are marked two for one. When the hon. gentleman goes into those stores he will find that the articles which do not sell rapidly are the ones that are being put up like that to catch the gulls who go in. Now, here is the recommendation of the committee in regard to loss leaders. I am sorry the hon. member for Charlotte (Mr. Stuart) is not here to hear me read this recommendation. If I did not read all of the 872 pages of evidence I am sure that the hon. gentleman did not read this report, or he would not have made the statement he did about loss leaders. They state that the loss leader device is a practice which does not promote the general welfare.

Hon. members applauded the hon. member for Charlotte when he read statements from the Woodward brief. What is their view now? Do they approve of the MacQuarrie report or do they approve of the opinion of the hon. member for Charlotte. I approve of certain things they say and I approve of that, but I do not approve of the opinion of the hon. member for Charlotte. I should like to know if the Minister of Justice (Mr. Garson), with whom he was sitting cheek by jowl a few moments ago, approves of the opinion of the hon. member for Charlotte. We ought to have some logic in the debates in this chamber.

Some hon. Members: Oh. oh.

Mr. Browne (St. John's West): I submit that what I am saying is logical. I ask the Minister of Justice, when he makes his reply, especially to tell us what he thinks of the opinion of the hon. member for Charlotte, not only on that but on other practices he has recommended. The committee went on to

state that it considered it was not compatible to the public interest. What do hon. members think of that opinion of the committee as compared with the opinion of the hon. member for Charlotte, that it was the best thing ever put into effect in Canada for the benefit of the consumer? When a member of the Liberal party gets up in this house he gets applause from the other side, but if a member of the Conservative party gets up he will not get any applause even though he is reading from the committee report.

Some hon. Members: Oh, oh.

Mr. Sinnott: Do you feel better now?

Mr. Browne (St. John's West): Hon. members are applauding, but I do not think they realize what they are applauding.

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): The hon. member for Charlotte made a very superficial speech which seemed to please hon. members on the other side. He was endorsing in general what the government is trying to do, but I submit that he has not any conception of what is at stake in this matter. He has no realization of what is contained in the report he was supposed to have been studying while a member of the committee. I do not know what he was doing on that committee.

Mr. Fulton: He was doing what the chairman told him to do.

Mr. Browne (St. John's West): He does not even approve of this report. The hon. gentleman said it was the big guy that was worrying, not the little fellow. Then he went on to read with approval a letter written by the big guy, Woodward Stores Limited, to the chairman of the committee. Let us be logical about this thing. Are Woodward stores worrying? Yes; they are worrying lest this thing does not go through. That is what they are worrying about. Let us listen to what the big guy has to say and let us then hear what the Liberals have to say about it. I dismiss the opinions of the hon. member for Charlotte because they are not worth considering.

Mr. Sinnott: Go ahead and hang yourself.

Mr. Browne (St. John's West): I commend to the attention of my hon. friends over there what was read with such great approval by the hon. member for Charlotte, and I quote:

> The whole of our Canadian economy is geared—

An hon. Member: You are on the wrong page.

Mr. Browne (St. John's West): Is the hon. member asking a question?

Mr. Hodgson: He cannot read himself.

[Mr. Browne (St. John's West).]

Mr. Browne (St. John's West): Here is what was read by the hon. member for Charlotte.

An hon. Member: What page?

Mr. Browne (St. John's West): I beg your pardon, page 819. I am reading from the letter which was read with such approval by the hon. member for Charlotte.

Mr. Sinnott: What book?

Mr. Browne (St. John's West): The proceedings of the combines legislation committee. I suppose the hon. gentleman has not heard of it and he should be interested. If I may proceed.

Mr. Sinnott: I read that every night before I went to sleep.

Mr. Browne (St. John's West): The hon. member for Springfield has no idea what is going on.

Mr. Sinnott: I read that book from cover to cover.

Mr. Fulton: You still would not know.

Mr. Sinnott: Another smart crack from you.

Mr. Browne (St. John's West): This reads:

> The whole of our Canadian economy is geared to a free enterprise system. It is the basis of our political creed. The man in the street has faith in it.

Listen to this:

> He believes that sooner or later unfettered competition—

What does that mean?

> —and the laws of supply and demand will defeat the bogey of inflation.

Do hon. members on the other side, does the Secretary of State for External Affairs (Mr. Pearson), does the Minister of Trade and Commerce (Mr. Howe) approve of unfettered competition?

Mr. Sinnott: I should like to ask the hon. gentleman a question.

Mr. Browne (St. John's West): No, I do not want any questions from you.

Mr. Sinnott: You are afraid of the question.

Mr. Browne (St. John's West): There is not a member on that side of the house, there is not a member of the government who realizes what unfettered competition means, who will approve of it. The hon. member for Charlotte was applauded when he read that letter, and especially by the hon. member for Coast-Capilano (Mr. Sinclair).

Mr. Sinnott: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Sinnott: On a question of privilege, I should like to ask the hon. member who is speaking a fair question—

An hon. Member: That is not a question of privilege.

An hon. Member: Sit down.

Mr. Deputy Speaker: Order.

Mr. Sinnott: Mr. Speaker—

An hon. Member: Sit down.

Mr. Deputy Speaker: I do not think there is any question of privilege.

Mr. Sinnott: He is afraid he cannot answer the question.

Mr. Browne (St. John's West): Let us consider for a moment—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: I would ask hon. members on both sides of the house to observe decorum in the house.

Mr. Browne (St. John's West): Mr. Speaker, I take it you have good intentions. I would ask hon. members to consider for a moment what is meant by unfettered competition, unbridled competition, no restraint upon business at all, the law of supply and demand working to its utmost capacity. What does it mean? It means that all the rich men go into the market and collar everything. Despite what the Minister of Agriculture (Mr. Gardiner) may say, they corner the wheat, they corner the butter, they corner the eggs and sell them for as high a price as they can get. That is what is meant by unfettered competition. That is what is meant by the law of supply and demand being allowed to work. The government has to step in to protect the wheat grower. It has to protect the butter producer, the egg producer, the fish producer. Everybody in the community is protected against the working of the law of supply and demand.

In connection with resale price maintenance, how does it work? Take the manufacturer. He has his capital investment upon which he has to pay a dividend if he is to remain in business. Above all he has to pay his workmen. How does he pay his workmen? Generally they are unionized, and he has to pay a fixed price sometimes set by collective bargaining or through some agency of the government. Nevertheless it has been the practice for many years now for manufacturers to pay the wages demanded of them, and that is done by fixation of some kind. Is it so absurd that manufacturers, who have to pay a fixed price for a part of the cost of the products they produce, should make an agreement with retailers as to what the ultimate product shall be sold for? It is only reasonable that the manufacturer should be able to sell at a fixed price, and it is not unreasonable that he should talk with the retailer about what a reasonable profit would be.

Getting back to that unfettered competition that is so approved of, we are all familiar, although perhaps not so familiar as we might be, with the beginning of the industrial revolution in England when machinery was first invented. The leader of the opposition (Mr. Drew) referred to what occurred in the days so highly approved of by Adam Smith when men, women and children were crowded into ugly tenements close to the factories and children of the smallest size were put to work at the machines. That was unfettered competition. We have got a long way from that. Does the hon. member for Charlotte (Mr. Stuart) want us to go back to that sort of thing? That is what unfettered competition means if he wants to go back to it, the law of supply and demand.

The Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture are continuously being haggled in the house about what they are doing for the wheat growers or farmers in various lines. Suppose some of the big packing houses of Canada were allowed to store huge quantities of produce and sell them at any prices they felt like. There have been complaints that that has happened. Suppose they bought eggs at 20 cents a dozen and sold them for 65 cents. Suppose they bought butter for 30 or 40 cents a pound and sold it for 60 cents a pound. Would there not be complaints from my hon. friends to the left who represent farming communities? Surely there would, and the same thing applies to any industry. We have to have regulation of business, it is true.

An hon. Member: Ask the hon. member for Springfield (Mr. Sinnott).

Mr. Browne (St. John's West): All sorts of labour laws, laws regulating workmen and laws regulating the sale of produce have been put on the statute books of different countries in the last one hundred and fifty years. Certainly there is no doubt that unfettered competition is dead, but in this particular case it will be revived if the bill goes through. Therefore I suggest to the Minister of Justice (Mr. Garson) that he should give consideration to the subamendment that has been brought before the house.

Mr. Speaker: Order. The hon. member has exhausted his time.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, I am encouraged by the atmosphere of growing warmth towards participants in this

debate to say a few further words. It seems to me that as we approach closer to the Christmas season the good spirit of charity is at last beginning to prevail in this chamber. We have listened to speeches mostly from this side of the house. Unfortunately we have not heard many of the private members opposite contribute to this debate. I can understand the reason for that, because in listening to the discussion it has become quite evident that the main conclusion evolving therefrom is that the bill is suspect. There is a great deal of suspicion arising from the contemplation of the proposed legislation, mainly because sufficient evidence has not been produced as to its merits or demerits.

I say it is obvious. That opinion has been expressed on this side of the house. I was not privileged to participate in the activities of the special committee, but it is unfortunate that its deliberations were cut off before the retail merchants association had a chance to make their representations. I say that because our discussion seems to be boiling down to the respective merits of the retail merchants' case and the case for the large chain stores. We might have avoided all the confusion in discussing this topic if there had been ample opportunity for presentation of the retail merchants' viewpoint at the committee level. We on this side of the house have stated our attitude toward the bill. What about the other side? I have here the Winnipeg *Tribune* of December 18, and I should like to read a paragraph from the column "Ottawa Notebook" written by Mr. Arthur Blakely to indicate that there is a good deal of suspicion amongst members on the other side of the house if only it had been allowed utterance. Here is what the writer of the column has to say:

> There are mutterings within the Liberal ranks too—

That is quite obvious. I can hear them now in this chamber.

> —over the proposed ban on price maintenance. One night this week four or five Liberal M.P.'s buttonholed Justice Minister Garson in the Liberal lobby and insisted that he justify the legislation. Within minutes the group surrounding the minister numbered an even dozen. Before it ended his audience numbered close to thirty—almost all of them backbenchers. Questioning was hot and heavy before Garson satisfied the last skeptic and made good his escape.

These mutterings and ominous rumblings or grumblings from the government side, as the newspapers have described them, have obviously continued and would indicate that there is considerable suspicion regarding the legislation before the house. In the previous remarks I made on this subject I dealt with the dangers of centralization. I am very interested in the problem of centralization, the tendency toward bigness, because I represent a riding that has suffered considerably economically, politically and educationally from the effects of the increasing trend toward centralization. I pointed out, for example, that there is this tendency toward bigness in government. I based a question on that, as to whether it was a desirable or good thing to have government assume more and more control over the lives of individuals. Then, of course, a concomitant situation to the centralization trend is the tendency for population to concentrate in huge metropolitan areas, which generates the social problems of which we are only too keenly aware in our larger cities.

Now in Manitoba generally, and particularly that part of the province from which I come, we have been making progress against this trend toward centralization. I might be pardoned for labouring the viewpoint of my constituency—

Mr. Knowles: I wonder if I might rise to a point of order? I do so with great respect for the hon. member who is now speaking, but it seems to me we have now reached a point in this debate where the rules of debate might be complied with by all of us a little more closely than is sometimes the case. I thought the hon. member for Winnipeg South Centre (Mr. Churchill) did a service last evening when he drew attention to citation 338 in Beauchesne's third edition. If I might presume to say so, I thought Your Honour made an excellent ruling on the point. Citation 338 deals with the situation when there is an amendment to a motion. I need not go over all the ground that the member for Winnipeg South Centre dealt with, but may I just quote the last sentence of that important citation:

> In that case the debate that follows is not restricted to the amendment, but includes the motives of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

Your Honour ruled, and I thought quite fairly on the point raised by the hon. member for Winnipeg South Centre, that when there was a motion and an amendment before the house as alternative propositions it was possible and perhaps desirable, that they should be discussed in relation to each other. But what about the situation when we have a subamendment? There is now before the house a subamendment to the amendment. I admit that the terms of the subamendment are by way of alternative to the amendment, but I would say that although it is possible in discussing the subamendment to discuss its terms in relation to the terms of the amendment, it should not be possible at this

stage of the debate to go behind the amendment to discuss not only the main motion itself but to discuss things which may not even be related to the main motion.

I submit that the hon. member for Brandon (Mr. Dinsdale) at the moment is a long way from what is before the house, namely, the relationship between two alternatives, that of the amendment of my leader and that of the subamendment moved by the Progressive Conservative group. The point of order I raise is this: should not the debate at this time be confined at least to the relative merits of the amendment and the subamendment?

Mr. Drew: Mr. Speaker, I think the point the hon. member has overlooked is the fact that, at the moment, we are dealing with the amendment as amended by the subamendment. We are not dealing with alternatives, but we are dealing with the amendment as amended.

Mr. Knowles: It has not been amended yet.

Mr. Drew: The subamendment is before the house, and the subamendment places before the house the proposal that this bill should not be dealt with now. I would point out that this is the proposal put forward by the leader of the C.C.F. party. Then, the subamendment suggests the desirability of considering the wisdom of having a fair trade commission. In considering that, it seems obvious that the whole field affected by this bill must be discussed if we are to know how desirable it is that a fair trade commission should be considered, and how desirable it is also that there should be ample time to consider the details of this bill and its impact upon business generally. I suggest, Mr. Speaker, that the very nature of this motion by way of subamendment makes very relevant every possible aspect of this problem to which the bill relates.

Mr. Speaker: The difficulty is that the debate has been continuing for some time, and I think all members have been discussing the main motion, the amendment and the subamendment. It is extremely difficult at this late date to say that in future members cannot have as wide a latitude in discussion as members who have already spoken. I am glad the hon. member for Winnipeg North Centre (Mr. Knowles) brought this matter to my attention. Probably if the matter should arise on another occasion I should give further consideration to his point of order. (See Beauchesne's second edition, citation 414). But in view of the fact that the debate has gone on for so long in the manner in which it has, I doubt if it would be fair to interrupt it at this time.

I see that it is now ten o'clock.

On motion of Mr. Dinsdale the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): May I make this remark. If it be true that we have been discussing the principle of the bill, the amendment and the subamendment would it not be logical that we vote on those three things at the same time? Before announcing the business of the house for December 27, I want to extend to every member my best wishes for a merry Christmas and a safe return to Bill No. 36, an act to amend the Combines Investigation Act, which will be the first item of business on that day. Then, if it is disposed of, we shall take up the government notice of motion in the name of the Secretary of State for External Affairs, and then all the other bills remaining on the order paper.

Mr. Drew: Mr. Speaker, first of all may I reciprocate by joining in the good wishes for Christmas, and hoping that everyone has an extremely happy new year. That brings me to a question that perhaps the house leader could answer. Is it intended to sit on New Year's day?

Mr. Fournier (Hull): I am quite convinced that when we reach that bridge we shall find a way of crossing it—

Mr. Drew: It is only, of course, that it would be desirable for some of the members to know what arrangements they should make. I can only hope that after the government and the members of the house have enjoyed a merry Christmas, the suggestion that has been made will be followed and we shall not be dealing with Bill No. 36 but with other items of business, in which case I am sure we would proceed with expedition.

Mr. Fournier (Hull): So no doubt will remain in the minds of hon. members, the government and the house will proceed with this bill on the 27th.

Mr. Speaker: On behalf of each hon. member I extend to all the members of this house a wish for a very merry Christmas.

At ten o'clock the house adjourned, without question put, until Thursday, December 27, at eleven o'clock a.m., pursuant to the order of the house passed on December 21, 1951.

HOUSE OF COMMONS

Thursday, December 27, 1951

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

INQUIRY AS TO REPORTS FROM MINISTERS RETURNING FROM ABROAD

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I think perhaps the best time for me to raise this question is at this point. Having regard to the fact that we now meet in this rather unusual period of the year for a session of parliament, I should like to ask the Prime Minister (Mr. St. Laurent) when we may expect reports from those ministers who have been abroad for the past three months on various important matters of government business. I believe that before this session ends we should have a report from each of those ministers on the subject matter that was under discussion at the time they were abroad.

Right Hon. L. S. St. Laurent (Prime Minister): It is necessary for some of those ministers who have been abroad to return there, and I understand that the Minister of National Defence (Mr. Claxton) left this morning for Korea. The Minister of Finance (Mr. Abbott) is to leave on January 12 or 13 for a continuation of the meetings in London, and I do not know whether there will be an opportunity for the Minister of Agriculture (Mr. Gardiner) to make a report on what took place at the conference in Rome. The Secretary of State for External Affairs (Mr. Pearson) is not here this morning, and I understand he is otherwise engaged on matters that are not of international importance. As soon as he returns there may be an opportunity for a report in addition to that which he has already made in the house.

Of course, these matters are of great interest but for the last few sittings of the house we have been dealing with a matter of domestic concern which is also of great interest, and which is to be the topic of further discussion in the house this morning. I would hope that we could go on with that domestic matter without in any way slighting the international negotiations on which my colleagues have recently been engaged.

Mr. Drew: Without extending the discussion of this subject unduly, I would point out that while it is true we have before us a matter of extremely important domestic concern, the practice has been established of informing the house, prior to the orders of the day, about matters directly affecting particular departments where the minister has some report to make to the house, and through the house to the press and people of Canada. It does seem to me that the very fact that the Minister of National Defence left this morning suggests reasons why it would be desirable to give the house some assurance that we shall have reports from these ministers concerning the extremely important subjects they were discussing while abroad. Naturally, all of us will be pleased that the Minister of National Defence will be visiting the Canadian troops in Korea. I would point out, however, that it is a year and a half since that military operation began, and a matter of a few days might not substantially change the importance of the visit. I would have hoped that he would give us a report relating to the discussion on NATO which will be before us, and it was for that reason I asked that information be given.

Without asking for any further commitment from the Prime Minister, I would ask that consideration be given to setting aside some time which would not affect the discussion of domestic matters, when reports from these ministers could be received.

Mr. St. Laurent: Without making any further commitment I shall repeat the commitment I have always made, that any decision arrived at will be immediately communicated to the house.

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the chief electoral officer certificate of the election and return of the following member:

Of Carl Olof Nickle, Esquire, for the electoral district of Calgary West.

LABOUR CONDITIONS

UNEMPLOYMENT IN THE TEXTILE INDUSTRY

On the orders of the day:

Mr. W. G. Blair (Lanark): I should like to direct a question to the Minister of Labour. Is the government aware of the serious

unemployment situation in the textile industry? If so, what measures are being taken to counteract this situation?

Hon. Milton F. Gregg (Minister of Labour): To reply to the first part of the question, the government is aware of the unemployment situation referred to. Just before Christmas I met a delegation dealing with this matter. As to the second part of the question, the situation will be considered by the government, and any decision reached will be announced in due course.

(Translation):

FERRY SERVICE

ACCIDENT AT TADOUSSAC, QUE.

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Transport (Mr. Chevrier) in connection with the unfortunate accident that happened at Tadoussac on December 23 last. Has the hon. minister been requested to improve the ferry service following that accident and does his department intend to investigate the circumstances of that accident?

Hon. Lionel Chevrier (Minister of Transport): The hon. member kindly sent me a copy of his question but, unfortunately, I received it only a few minutes before coming into the chamber. However, after reading it, I am inclined to believe that the federal government has no responsibility, direct or indirect, in the operation of the ferry between Baie Ste. Catherine and Tadoussac.

As far as the Department of Transport is concerned—and I say this only from memory—it provides no grant either through the maritime commission or any other division for the maintenance of the wharf. Therefore we would not be prepared to hold an investigation. I give this answer without having secured the necessary information. I am rather inclined to believe that this ferry is not under federal jurisdiction.

(Text):

KOREA

REQUEST FOR INFORMATION ON CEASE-FIRE NEGOTIATIONS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State for External Affairs (Mr. Pearson), I should like to direct a question to the Prime Minister (Mr. St. Laurent). Is he able to inform us as to the developments in connection with the cease-fire negotiations in Korea, which terminated at ten o'clock this morning, our time, unless any further arrangements have been made?

Right Hon. L. S. St. Laurent (Prime Minister): I will have inquiries made at the Department of External Affairs. I have not personally received any information as to what took place at the appointed hour for the expiry of the delay which had been set.

CHINA

CANADIAN MISSIONARIES—POLICY AS TO REPATRIATION

On the orders of the day:

Mr. W. J. Browne (St. John's West): In the absence of the Secretary of State for External Affairs, Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government any idea of the number of Canadian missionaries remaining in China, and has it any special policy with regard to their repatriation? In *The Ensign* for December 29 there is a story about Bishop Kenneth Turner and three priests, one of whom comes from Newfoundland, and three sisters who have been reported as being held in severe captivity at the present time.

Right Hon. L. S. St. Laurent (Prime Minister): I will inquire as to what is the latest information we have officially in that regard. I can only add that we all share the concern and the anxiety of the hon. member over the fate of those who went to the Far East to give their lives in the service of their fellow men and who seem to be exposed to such serious difficulties at the present time.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed, from Friday, December 21, consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mrs. Fairclough.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, when the house adjourned on Friday evening I was making a few observations particularly in reference to the amendment submitted by the members of this party. Since that time we have, of course, had the opportunity of spending a few days at home and have come in contact, to a greater or lesser extent, with certain parts of the constituencies which we represent. On Monday I

took advantage of the opportunity to do some Christmas shopping, but I am afraid that I was not too successful in this regard because it seems that the discussion which took place just prior to the adjournment of the house—

Mr. Casselman: Order, order.

Mr. Speaker: Order.

Mr. Dinsdale: It seems that the discussion just prior to the adjournment of this house on the bill now before us has stirred up a lively interest in its subject matter and its import. In every store I entered to do business, the storekeeper wanted to discuss the lights and shades of this extremely contentious piece of legislation.

Some hon. Members: Order.

Mr. Casselman: Hold the cabinet meeting outside the chamber.

Mr. Speaker: Order. I would think that it is almost impossible for *Hansard* to hear what the hon. member is saying, and would therefore ask hon. members not to converse in the chamber.

Mr. Dinsdale: Obviously—and this is the point that we have been endeavouring to bring out amidst a rather difficult atmosphere for debating; and it is even more difficult this morning, unfortunately—the interest of the retail merchant in this bill is great. My direct contact with a cross section of the merchants of the city of Brandon would indicate that they are greatly disturbed over the legislation. This matter is something that crosses political barriers. Even some of the most ardent supporters of the government at the present time have been disturbed, first, at the ruthlessness in presenting the bill and, second, at the possible implications of the bill with respect to the present methods of marketing and trading that have been established by the retail merchants.

In a previous contribution I made to this debate I mentioned the fact that these people occupied an important place in the community. To give just one example, there is in my community a retail merchant who has served on the council and on the college board, who has been the president of the chamber of commerce for several terms, and whose wife has been active on the school board. He was loudest in his protest at the method of approach to the bill, having regard to the fact that it had been left to the dying moments of the session, that it had been subjected to the disturbing conditions of debate that I have already mentioned when it was difficult to get a hearing, and—

Mr. Speaker: Order. Probably I should now bring to the attention of the house the fact that hon. members should not express in this house opinions of individuals outside the house on the subject of the present debate. Hon. members should express their own views on this subject. It is highly irregular to express the views of others who are not in the house on the question that is being discussed in the house at the present time.

Mr. Dinsdale: Thank you, Mr. Speaker. I will conform to the ruling.

I am not going to prolong my observations this morning; I have presented them previously. I want to support emphatically the amendment that has come from the members of the official opposition because I feel that if this bill is to go through at the present time, under the present circumstances, it is only fair that the amendment we now have before us, which purports to set up some fair trade laws and practices, should also be included and implemented for the protection of the small retail merchant who is such an important citizen, particularly in the constituency which I have the honour to represent.

Just before concluding, may I say I also discovered the typical merchant feels that the type of service he is providing for the community is on a fair and equitable business basis. In fact, there was much evidence to indicate that the type of marketing carried on under the present practice of resale price maintenance has produced a situation of lower prices than had that type of marketing been exposed to the sort of laissez-faire free enterprise techniques that seemingly have been advocated from the government benches. This has been particularly true since the price index began to rise so alarmingly within the last year. Therefore they feel they have been giving a fair deal to the consumer. If there is any suspicion that there has been exploitation, that there has been a tendency towards unfair monopolies and combines, I am sure the type of commission which members of the official opposition have recommended to maintain fair trade laws should be adequate to deal with exploitation and monopoly interests wherever they arise. Therefore I heartily support the amendment before the house, and I do so for the reasons I have given.

Right Hon. L. S. St. Laurent (Prime Minister): I hope the hon. member for Brandon (Mr. Dinsdale) will feel that I am dealing sufficiently with the arguments he has put forward in the general remarks I

have to make about the amendment submitted by the hon. lady who represents Hamilton West (Mrs. Fairclough). I am rising at this time to state that the amendment to the amendment put forward by the hon. lady is not acceptable to the government because it would mean in fact, as I think I will be able to show to her own satisfaction, that nothing at all would be done about the problem concerning which the government feels that something is required at this time.

The effect of her amendment is to have stand the first part of the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell):

That Bill No. 36 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing—

Her amendment proposes to strike out the words in the original amendment—

—that where regulation of resale price is in the public interest such regulation should be under public control instead of under private control.

And to substitute something which the hon. lady thinks is more precise, as follows:

for the establishment of a fair trade commission.

That means that this bill would not now be read a second time, but that consideration would be given to some other form of legislation, and that other form would be the establishment of a fair trade commission.

I am sure the hon. member knows, as was quite clearly demonstrated by her leader in his speech on Friday in that connection, that this was attempted in 1935. The leader of the opposition (Mr. Drew) quoted the paragraph of the Dominion Trade and Industry Commission Act, and stated that if hon. members would refer to what had taken place at that time they would see why great caution should be exercised in proceeding with this measure at this time. He said, as reported at page 2350 of *Hansard*:

In 1935 the parliament of Canada passed the Dominion Trade and Industry Commission Act which carried into legislative form many of the ideas incorporated in the fair trade laws of the United States.

The hon. member went on to say:

I assume all hon. members know that section 14—

The section which provided for this matter.

—was declared ultra vires by the Supreme Court of Canada.

He went on:

It is important for us to remember that, when this section was enacted, an attempt was made to put into effect in Canada what are described as fair trade practices.

[Mr. St. Laurent.]

Further down he said:

Further on he said that if this amendment was passed all hon. members would have the opportunity of getting legal advice upon it, and he went on:

Then if it is decided there are constitutional problems involved, as I most certainly think there are, it will be possible for them to lay the foundation for some other procedure which would bring about the kind of result that has been obtained in other cases where it has been found that some subject of general interest to the people of Canada, but which is nevertheless exclusively within provincial jurisdiction under our constitution, can be brought into general operation.

Well, the method that has been found for doing that in the cases where it was necessary has been by amendments to the constitution; but I do not think any hon. member would feel that if there is a problem to be dealt with at this time the way to do it would be to try to get an amendment to the constitution which would allow fair trade legislation to be enacted by this parliament, because of course in these cases it was decided that under its ordinary jurisdiction parliament can forbid the doing of things which parliament feels are contrary to the public interest, but cannot regulate property and civil rights. And that it is only when that is required as an incident of national defence that the exclusive jurisdiction of the provinces can be ousted and parliament can assert as its overriding right to provide for the proper defence of the country measures which would normally be within provincial jurisdiction.

I am rising at this time because a persistent effort has been made by the official opposition in the house, and by some of its supporters in the press outside the house, to suggest that the government is halfhearted about this bill; that we do not think it is a bill of much importance. That was referred to, in I think rather typical form, by the hon. member for Greenwood (Mr. Macdonnell), when he said at page 2196 of *Hansard*:

I suggest to you, Mr. Speaker, that the bill has become a foundling. I understand a "foundling" is a child whose parents are unknown and cannot be discovered. While the Prime Minister (Mr. St. Laurent) sponsored the measure, through the speech from the throne, in dignified words, when he came to speak about it—I was going to say he blew hot and cold, but that would not be correct because there was no hot, he really just blew cold on it. What he said was this, as recorded at page 41 of *Hansard* for October 15, 1951:

". . . as regards immediate additional measures to curb inflation, while others may develop, the only one we are prepared to submit at this time is the one that will arise out of this report of the combines committee with respect to resale prices."

Then he said:

"I do not think that is going to have a very substantial effect on the index of the cost of living."

He went on:

> Having been rejected by the Prime Minister, the bill found itself on the doorstep of the Minister of Justice (Mr. Garson).

Well, the bill has not been rejected by the Prime Minister, nor by any of his colleagues. The bill is the government's recommendation to parliament to deal with a problem which is recognized even by the leader of the opposition (Mr. Drew) himself, in his speech on Friday. We see this at page 2353 of *Hansard*:

> We recognize the fact that there are practices which should be under restraint. We recognize the fact—as it has been recognized in earlier attempts which have been made in this house to pass legislation—that there are practices which should be stopped.

That is also recognized by the government, and was recognized by the committee. The measure we are putting forward before the house is a government recommendation to put under restraint these practices which should be under restraint, and to deal with practices that should be stopped by stopping them. Then the leader of the opposition went on to say:

> What I said was that I did not think at this stage we should seek to draft the bill, but rather that we should assert as a principle that we want this measure held back so there might be further inquiry, and so the advisability of having a fair trade commission—

And so on. And when the question was put to him by the hon. member for Peace River (Mr. Low), he said:

> Without in any way seeking to evade the question, may I point out, as I did in the answer I just gave to the hon. member for Peace River, that we are not putting forward a bill, and that we are not attempting to cross the "t's" and to dot the "i's."

Well, we are attempting, in putting forward a bill, to cross the "t's" and to dot the "i's". This subamendment is a proposal to prevent that from being done, and instead to give consideration to something which the hon. member himself and his party realize and have stated frankly is, under present conditions, within the jurisdiction of provincial legislatures. It was held in 1935 that the prohibitive portions of section 498A of the Criminal Code were within federal jurisdiction, and constituted valid legislation.

If, as I trust this house will find, and this parliament will find, there are resale price maintenance practices which should be under restraint, practices which should be stopped, the only way I know of to stop them under federal jurisdiction is the way which is proposed in this bill. And, after all, what does the bill provide? Merely that there shall not be a system of price controls organized by private agreement and enforced without responsibility to this parliament, without responsibility to the government, and without responsibility to the House of Commons, by such coercive measures as those who provide the product, the resale price of which is fixed, choose to exercise themselves.

We think that is not good practice. We think that under present conditions there would be no warrant for attempting to interfere otherwise with the economy of the Canadian nation than by prohibiting the things that are wrong.

There has been much debate in the house about the possible effect on some 700,000 retail traders, and of the right this would give them to take, as they should, the responsibility for prices they ask their customers to pay for the merchandise they buy from them.

On the other hand it is suggested that this is not going to have much effect on the cost of living index. I still do not think it will have very much effect on the cost of living index; but I do feel that any effect it is going to have is going to be toward a reduction of some of those prices, and toward the prevention of an upward surge of prices. And that is a fact which will be appreciated by the whole of the Canadian consuming public.

When it is suggested that it will not have much effect on prices for the consumers, and in the same breath suggested that it will destroy 700,000 retail merchants, then I think one argument cancels out the other.

Mr. Drew: Mr. Speaker, on a point of order, I would point out that in his enthusiasm I do not think the Prime Minister should introduce a statement that has not been made. There is no suggestion that it would destroy 700,000, but that it will threaten a lot of the smaller merchants in this country.

Mr. St. Laurent: I think the record of the speeches made by the hon. member for Eglinton (Mr. Fleming) and the hon. member for Kamloops (Mr. Fulton) speaks for itself; and they can be interpreted by anyone who chooses to look at the record. It was not the view of the MacQuarrie committee, and it was not the view of the committee of the house, and it is not the view of the government that, under present conditions, there is any likelihood of this injury to any substantial number of small retailers.

I made the statement the other day, and I repeat it, that if as a result of this legislation or as a result of any other condition there develops a contrary abuse, the government will consider what recommendation it should make to parliament to deal with that contrary abuse. Because that is the only jurisdiction parliament has over these matters.

Here it is recognized that there are practices that should be under restraint, and that

there are practices which should be stopped. Well, let us put them under restraint; let us stop them. Let us stop them now, and not have this resolution, which proposes that the jurisdiction of parliament be not exercised but that consideration should be given to something over which parliament has no jurisdiction.

It may be that we have underestimated the effect that this legislation will have on the reduction of prices. If it has any substantial effect in bringing down prices, no one will be harmed by it. Well, why, then, all this opposition against it—if no one will be harmed by it? It is apparent, not from anything I have heard outside but from what I have seen from the evidence before the committee of this house, that such important bodies as the Canadian Federation of Agriculture, the Trades and Labour Congress of Canada and the Canadian Association of Consumers expect that those who belong to those bodies will derive some benefit from this greater freedom in the retailing trade of this country.

It has been suggested for some years now that the Conservative party was the only true liberal party, the only one that wanted to free the Canadian economy from these shackles. Here we bring forward one measure, one concrete measure, to free the retail trade of Canada from the shackles imposed upon them, not by parliament, not by a public authority, but by small groups of producers of the commodities they handle. The attitude taken in face of the proposal to free these retailers from these shackles is that which we have met since the second reading of this bill was proposed.

It seems to me that the partisans of free enterprise, of that freedom of trade which is possible under world conditions, should feel that it is proper for the retail merchant, who is the merchant with whom the consumers by and large have their dealings, should take the responsibility toward the individual purchaser of the price he asks him to pay. It may be that that price will still be the price suggested by the producer of the goods, but it will be the responsibility taken by the retail vendor and not by the producer of the goods to demand it from the consumer.

There is nothing proposed in this legislation which will prevent the suggestion of what would be a fair price. One would imagine that if the price suggested is fair it is apt to be adhered to. There is nothing in this bill which would prevent a producer fixing the maximum price at which his goods could be sold. But there will be in the bill a responsibility placed upon the dealer, whoever he is, for the price which he asks his customer, the one with whom he makes his contract, to pay for the article the purchaser wishes to acquire.

If it be true, as I think a large body of consumers in Canada feel it is at the present time, that there are practices prevalent which should be under restraint, that there are practices prevalent which should be stopped, let us deal with those at the present time. It has been suggested that there may arise other problems; but the MacQuarrie committee, the joint committee of the House of Commons and the Senate, and we on this side feel that that is not apt to happen. If it does happen, it will be time to deal with it when it does happen and in the form in which it does happen.

That is the proposal that is before the house. That is why the subamendment which the hon. lady from Hamilton West has moved cannot be accepted as an adequate solution of the problem which exists at the present time. I spoke on the amendment moved by the hon. member for Rosetown-Biggar and I shall not add anything on that score.

I am not in any way complaining of full discussion and deliberation in connection with this proposal. I particularly welcomed the contribution which the leader of the opposition made on Friday because, had he not done so, I would have felt that it was my duty to point out that the attempt made to deal with perhaps the obverse problem by fair trade legislation had been made and that all that survived was the prohibitory provision which became section 498A of the Criminal Code.

It is because both the Criminal Code and the Combines Investigation Act have been under fire before the courts and have both been found to be a valid exercise of the jurisdiction of this parliament that, when we came to the conclusion that in addition to the other measures we had adopted or had recommended to parliament for adoption to curb inflation there might be this further attempt, it was put in the form which it has taken in this bill.

Mr. Diefenbaker: Tell us about closure when you have said that you welcomed the contribution of the leader of the opposition.

An hon. Member: You were out west.

Mr. St. Laurent: The hon. gentleman and I are both lawyers and I think as reasonable human beings we feel that under normal conditions closure is something that should not be resorted to, that it is only when it becomes quite obvious, as it seemed to be

becoming before Thursday last, that there was being a futile repetition, that any thought can be given to closure.

So long as there is debate of the kind that took place in this house on Friday—I think that that debate was illuminating and instructive—no one should resent the time it took to have it take place. I hope that the debate will not get back to a plane where it will appear to be indefinitely repetitious for the sake of consuming time.

Mr. Drew: Mr. Speaker, perhaps in view of the explanatory remarks that the Prime Minister (Mr. St. Laurent) has made he would agree to answer a question which has not yet been answered. What is the reason for the urgency that makes it unwise and undesirable to let this bill stand until the next session? I would point out that we have had no real reason as yet.

Mr. St. Laurent: I think the reason was given by the hon. member himself when he stated that it was recognized that there are practices that should be under restraint and that there are practices that should be stopped. That being the case, we feel that that should be done as soon as the evil manifests itself and produces consequences for the public that the public should not have to endure.

Mr. Drew: In that respect I would point out that I said that I did not think it was desirable to shoot the patient in order to cure a single complaint.

Mr. St. Laurent: I hope that we will not have the kind of debate that would revolve around the shooting of the patient. That is not the kind of debate that I had in mind when answering the hon. member for Lake Centre.

Mr. Diefenbaker: I am glad the Prime Minister has changed his views.

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

YEAS

Messrs:

Adamson
Balcer
Beyerstein
Blair
Cardiff
Casselman
Catherwood
Charlton
Churchill
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Fraser
Gibson
Graydon
Hees
Hodgson
Lennard
Low
Macdonnell (Greenwood)
Murphy
Ross (Souris)
Rowe
Tustin
White (Middlesex East)
—28.

NAYS

Messrs:

Abbott
Anderson
Arsenault
Bater
Benidickson
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Boucher
Bradette
Breithaupt
Breton
Brown (Essex West)
Bryce
Cameron
Cannon
Cauchon
Cavers
Chevrier
Clark
Coldwell
Corry
Cote (St. Jean-Iberville-Napierville)
Cournoyer
Croll
Darroch
Dechene
Dube
Dumas
Eudes
Eyre
Ferrie
Fontaine
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henry
Herridge
Hetland
Hosking
Howe
Huffman
James
Jeffery
Jones
Jutras
Knight
Lafontaine
Laing
Langlois (Gaspe)
Leduc
Lefrançois
Lesage
Little
Macdonald (Edmonton East)
MacKenzie
Macnaughton
McCann
McCubbin
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
Major
Maltais
Martin
Masse
Monette
Murray (Cariboo)
Mutch
Nadon
Nixon
Noseworthy
Parent
Pinard
Prudham
Ratelle
Richard (St. Maurice-Lafleche)
Riley
Rinfret
Roberge
Robertson
Robinson
Rochefort
Rooney
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Studer
Tremblay
Valois
Ward
Warren
Weaver
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood
Wright—122.

Mr. Cleaver: Mr. Speaker, I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted, I would have voted against the subamendment.

Mr. Browne (St. John's West): Mr. Speaker, I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted for the subamendment.

Mr. M. J. Coldwell (Rosetown-Biggar): On a matter of privilege, Mr. Speaker, on Friday when I spoke I thought the debate was about to end, and I said we would not delay the proceedings by dividing the house. The sub-amendment was subsequently moved, so I feel that we should call for the yeas and nays on the amendment.

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

Mr. George A. Drew (Leader of the Opposition): No, Mr. Speaker, I propose to avail myself of the privilege of speaking on the amendment which has been presented because it does raise another proposal which we indicated in our statements on Friday did not really conform with the general trend towards fair trade practices which has been developing for some considerable time on this continent, and in some measure in Great Britain as well. I want to speak on some of the points which were raised by the Prime Minister (Mr. St. Laurent) this morning concerning the reasons for pressing this bill forward at this time.

The Prime Minister referred to the fact that on Friday I pointed out that we were asking for consideration of the setting up of a fair trade commission, and that in doing so I had said that it was not our intention to draft a bill or cross the "t's" and dot the "i's". He said quite properly that this was the responsibility of the government, and that the government accepted that responsibility. The drafting of a bill of this nature is, of course, the responsibility of the government, and that is exactly what I was pointing out. The drafting of a bill of this kind is the responsibility of the government, and it is not sufficient for the government to say that if we find this bill does great damage to the small merchants throughout this country, then we are prepared, after the damage has been done, to introduce further legislation which will seek to rectify that damage.

Mr. Croll: Will the hon. member permit a question?

Mr. Drew: Yes.

Mr. Croll: If that happens does it not enhance your political position?

Mr. Drew: That comment is not worthy of the member for Spadina (Mr. Croll). It would suggest that the only thought that is actuating the member for Spadina is a political one, and I would regret to make that suggestion in this chamber. We are not dealing with something that affects only a limited number of people. I wish to emphasize, what we have sought to emphasize from the beginning, that we are concerned with the effect of this legislation upon the Canadian consumer. We believe that the Canadian consumer is the person who is going to suffer if our whole commercial and mercantile structure, built up over many years of trial and error, is upset by ill-considered legislation which has not been given that measure of examination which it should have been given, and which was indicated at the time that a joint committee of the House of Commons and the Senate of Canada was set up some time during the course of this present session.

It is the Canadian consumer who is going to suffer if, as a result of legislation which has no qualifying clause, those merchants who provide for their daily requirements are either forced to the wall, as was predicted by the hon. member for York South (Mr. Noseworthy), or find that they are unable to maintain that measure of service which has become part of our whole social practice in this country. Throughout Canada today the small merchant provides services which are very much a part of the daily life of our society and of the way in which the ordinary household throughout this country is operated.

The Prime Minister, correctly and in generous terms, has commented on what I said in this house on Friday about the nature of this problem. I must express my appreciation of his statement that he welcomed what I said about the nature of this problem as a whole. He referred to my statement that it is recognized that, under a system of agreed or maintained prices, abuses may creep in. I asserted that proposition in supporting the suggestion that consideration should be given to the setting up of a fair trade commission. What I said, however, did not go so far as to suggest support of the proposal now before us in this amendment which I find rather difficult to understand in view of the conflicting statements made by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for York South.

The hon. member for Rosetown-Biggar naturally spoke in support of the amendment but indicated that he saw no dangers which would preclude his voting for the bill if his amendment was not supported. I wish to refer once again to the clear and unqualified statement of the hon. member for York South that the government had given us no reasons for the haste in pressing this measure forward and that it must be recognized that, if price maintenance was prohibited in this way, the small merchant would be driven to the wall by the big businesses and the chain stores. That, at any rate, is the opinion of the hon. member for York South and it is one which has been expressed across this country.

What I sought to emphasize on Saturday and what I seek to emphasize again today, in view of the fact that the Prime Minister has referred to those remarks in explaining the position of the government in relation to the subamendment on which the vote was just taken, is that price cutting may appear to give to the consumer a temporary advantage which may prove illusory when the full impact of unrestrained price cutting is felt. The experience in this country as well as in the United States, whose economy is so similar to our own, and in Great Britain, has been that cut-throat competition, absolutely unrestrained price cutting, gives only a temporary advantage to the people who benefit from the sacrifice prices but that, in the end, it is the consumer who suffers when the small merchant goes under and great trusts and cartels are formed which take advantage of their increasing monopolies that result from legislation of this kind.

As has been pointed out by the hon. member for York South—and I hope he will forgive me if I refer on a number of occasions to what he said—if his prediction is correct what would result from this measure, which the leader of the C.C.F. party has said he is prepared to support if the amendment is defeated, is that the small merchant will go to the wall under the pressure of the big businesses and the chain stores. What we have been suggesting to this house is that any advantage that might come from that result would not be a long-term advantage and that it would be the consumers themselves who would in the end suffer from the closing down of many of the stores which now give them service and from the formation of still greater monopolies and cartels which would have even more effective control over prices than anything which has emerged so far.

As the Prime Minister has pointed out, on Friday I said that abuses can develop under agreements of this kind. For that very reason the test should be this: Are the agreements in the public interest or are they not? That should be the test. After all, our responsibility in this house, as I understand it, regardless of party, is to find what is anti-social and what is not. We may have different ways of seeking to solve the problems that arise. We may have different ways of seeking to prevent anti-social conduct. Nevertheless, I think it may fairly be said that the members of this House of Commons throughout the years have generally given the people of Canada reason for some measure of pride in the fact that the thing which has guided their efforts has been that question: Is it anti-social? Is it contrary to the public interest? If it is, let us deal with it. But if it is not, let us be sure that we are not simply carried away by arguments which have an appealing sound but which may have many weak spots which have not been fully explored.

In this case we are not dealing with something that is new; in this case we are not asked to approach this problem without the experience of many years for our assistance and guidance. We know that over the years efforts have been made to prevent anti-social activities under any agreements that would be contrary to the public interest. That very principle was fully recognized when an earlier Liberal government introduced the combines investigation legislation in 1923. In that legislation there was a clear reservation that a combine or an association of businesses to fix prices, or to affect prices generally, would be regarded as an offence under the act if it was contrary to the public interest. There was no qualification. It must be contrary to the public interest; it must be anti-social. Why is that provision not included in the measure now before us? An earlier Liberal government felt it was important to recognize that where there were abuses there might also be agreements or understandings that would actually be in the public interest. This government has recognized that principle, because it has not introduced an amendment to the Combines Investigation Act to remove that condition from the present act. If that principle is unsound in relation to the amendment now before us, it is equally unsound in regard to these larger combines which could have so much greater effect on the life and on the welfare and on the living conditions of our people.

If it is not wise to put in the reservation that it must be contrary to the public interest, that it must be anti-social, if it is not wise to introduce this prohibition into any agreement of any kind in regard to prices, then, in the light of the experience in the milling combine investigation, why was there not an amendment introduced at the same time to withdraw that reservation that now is contained in the definition of a combine which creates an offence? Perhaps the minister might have had an argument there, because he might even have suggested that that was an explanation for his failing to act in that particular case which had been brought to his attention by the commissioner under the Combines Investigation Act. No; there is no suggestion that in regard to these great horizontal combines there should be any withdrawal of the reservation that it must be anti-social and contrary to the public interest. But

when it comes to the merchant dealing with the public, the merchant who day by day is giving some measure of service to the public not included in any of the prices that are being fixed or that are settled by these agreements that I referred to, the government says: "Oh, no. It is admitted that there may be wrongdoing under agreements of this kind, and that being so we will make it impossible for anyone to have any kind of agreement, whether it is good for the public or not." That is exactly what we object to. We say: It is no new discovery of this government that there can be anti-social results of the agreements where the agreements disregard the public interest. We know that, and we have pointed out that the Conservative party took its stand on this subject some years ago, and has not varied from that position. I pointed out on Friday that the Conservative party introduced in 1935 a measure which was based on the proposition that there could be abuses, and also that there could be agreements which are in the public interest. It has been pointed out by the minister who has introduced this measure that there is a large spread in certain cases between the price charged by the manufacturer and the price charged by the merchant. I have no doubt that the figures he has given are figures taken from evidence that has been placed on record. But, Mr. Speaker, the evidence in regard to action of that kind does not end there. I have no doubt that there are cases that should be dealt with, and we should have some mechanism to deal with them, without simply having an all-embracing prohibition of the kind contemplated by this legislation, and in no way improved by the amendment now before us.

I would point out that if the minister is anxious to deal with this subject effectively, what he should do, even at this time, is to ask the government to agree with him that the measure be withdrawn and that there be a general examination of the Combines Investigation Act and general amendments that will deal with this whole problem. I point out to him something that a great many Canadians learned during the season which has just passed, and which many of us might not have regarded as being completely past if the delay in bringing down this important legislation had not brought us back here at this time. Many Canadians discovered that it is not only under agreements of the kind mentioned that there can be a great increase in prices. I imagine that many people who were shopping during the weeks that preceded Christmas and saw some particular article that they wanted to buy for some member of their family or some friend were very much impressed by the fact that things which they saw advertised in New York, Buffalo, Detroit or Chicago newspapers, or other newspapers in the United States, were in a number of cases selling for more than twice as much here as they would have sold for in the United States. That is not accounted for by tariff. That is not accounted for by any ordinary arrangements, and it certainly is not accounted for by the agreements which are regarded as the big bad wolf by the minister who is putting forward this particular legislation. These are cases where we might well regard the advisability of some supervising authority who may make inquiries and find out just why it is that articles, which perhaps gain their popularity by advertising, printed in the United States and coming into this country, are sold at the prices which they are able to command here under the heavy pressure of Christmas buying.

No, Mr. Speaker, the Combines Investigation Act should be regarded as one document, as one piece of legislation. What is sauce for the goose should be sauce for the gander. If it is wise that the public interest should be the test in the case of horizontal combines or horizontal agreements, then the public interest should be the test in the case of vertical agreements as well.

And that is the situation we have before us. The minister leaves the reservation in the case of the great horizontal combines, but in the case of the vertical combines or the vertical agreements, sought by the merchants themselves—according to the evidence given to the committee, while it was permitted to sit—the merchants wanted an arrangement of this kind, and they wanted some measure of price arrangement which would make it possible to have orderly marketing.

This is something that goes back into the memory of anyone now sitting in the chamber. Just a few days ago I saw reprinted some very interesting advertisements of nearly a hundred years ago. They were printed for the purpose of showing the difference in dollar prices of similar things at that time and today. I noticed that the prices were advertised by the manufacturer away back a hundred years ago, and presumbly those were the prices at which people expected to buy those things in the stores.

The Prime Minister has said, "It is quite possible that merchants may take the suggestion of the manufacturers". Oh, that opens up interesting possibilities. There are more ways than one of skinning a cat. And the Prime Minister says, "Even if this measure is passed, it is quite possible that the suggestion of the manufacturer, who is the

source of supply, may be taken by the merchant—even with the act in force."

Does the government believe that, or not? If the government believes that, then this measure is a hoax. If the government believes that, then this measure is a fraud on the people of Canada. If the government believes that, then I think we can only come to the conclusion that the *Financial Post* was right, and that the reason this bill is being pressed forward is so that when the January sales are announced the people will think they are the result of this half-baked bill.

Mr. Rowe: The cat is out of the bag now.

Mr. Drew: No other reason has been given to the house. No other sound reason has been given. I suggested to the Prime Minister that, in the absence of any explanation from the minister who introduced the bill, we should have some explanation now as to why this bill cannot well stand over until the next regular session of parliament. The Prime Minister said—and while I may not quote his exact words, I hope he will agree that I properly interpret the text of his remarks in this connection—"it would mean that nothing effective would be done in relation to something which the government thinks should be dealt with now."

Well, how effective is it? The Prime Minister has told us—and in this I certainly am not interpreting his remarks inaccurately—"I do not think it is going to have much effect on the cost of living". If it is not going to have much effect on the cost of living, just what is the urgency? If this is a measure to deal with inflation, which we have been urging should be dealt with since the house met in special session in August 1950, after the outbreak of hostilities in Korea—I say if this is a measure to deal with inflation, then this measure is too little and too late.

Nothing the Prime Minister said this morning, and nothing the Minister of Justice (Mr. Garson) has said or will say, offered any sound foundation for the belief that this is in fact a measure designed to attack the vitally important problem of inflation and the cost of living. And yet this is the only measure, according to the Prime Minister himself, that this government proposes to bring forward during the course of this session to deal with the problem of inflation. The Prime Minister said this morning: If there are these evil practices to which I have referred, then, to use his words—and I hope, again, that I interpret correctly the context of them—let us stop them, and let us stop them now.

An hon. Member: Hear, hear.

Mr. Drew: I hear from one of the Liberal members, "hear, hear".

Mr. Croll: All of us.

Mr. Drew: Spadina is heard from again. I hear, "From all of us, hear, hear." Well, if that is so, then let us have before us a bill that stops those who are guilty of wrongdoing but does not stop those who have agreements that can be shown to be in the public interest.

Let us be sure that in stopping wrongdoing we do not prevent a service to the people, a service which has been given by many small merchants of this country, and given in a manner which has not at any time sought to prejudice the real welfare of consumers throughout this country.

The Prime Minister has also said that parliament can forbid the doing of those things which it thinks should not be done. I believe there would be a better opportunity to deal in more detail with that particular aspect of the matter at a later stage in the debate. However, I would point out that the whole idea or, shall I say, the basic consideration in the minds of hon. members in dealing with legislation which is in the realm of criminal law should be whether or not there is in fact some anti-social or criminal act with which we are dealing.

At no point in the arguments made in support of this bill has there been the slightest suggestion that there is any criminal offence in this instance. It is simply suggested that this is a commercial operation which should not be permitted. It has simply been suggested, without any real evidence to support the argument, that the consumer will benefit in some way if he is able to go into a store and know in advance the price he will have to pay for the article he wants.

Nowhere has there been a single argument put forward that could be taken reasonably as supporting evidence for the enactment of something that, in effect, is criminal law. Nowhere in the statements that have been made is there any evidence that could be received by this high court of parliament on which they could pass judgment that we are dealing with something in the nature of a criminal offence. The measure now before us is making any agreement that seeks to establish uniform and known price levels a criminal offence, whether in the public interest or not.

If this measure were enforced—of course we all have to admit that that is something which will remain to be seen because we still require evidence that the minister will enforce one part of the Combines Investigation Act any more than another—if this act

is enforced, when it is made law—the uncertainty as to what might happen was indicated in the report itself when it reminded the Minister of Justice that section 498A was in the Criminal Code and that it should be enforced when there were infractions—we are going to get back to practices that a lot of Canadian consumers do not want. They would have to go into a store, ask the merchant the price of a particular article, and then the merchant might name one price and we would get back to the type of trading which the people of this country decided a long time ago they did not like, that is, haggling over prices and not being sure that they were getting as good a deal as somebody else.

We are simply turning back the clock one hundred years in this country if we prevent an arrangement which will assure that every Canadian consumer who goes into a particular store is going to get the particular article he or she wants without setting aside a substantial amount of time in which to haggle over the price. I am convinced that most if not all the small merchants of this country are not anxious to see a return of practices of that kind.

Nevertheless, once we get to the point where there can be no settled prices, then we must certainly get back to the point where the determination to do business on that basis may be too great to resist. We would certainly get to the point where merchants would not be able to settle their prices or do it with any measure of certainty because the prices would be sufficiently fluid that they would require to be adjusted.

May I emphasize the fact that we have indicated that there are immense advantages in competition. I must confess that I was interested to see the extent to which the members of the party immediately to our left seem to have accepted the same views that we have held for a long time on this subject. Nevertheless there are no absolute rules in any case of this kind. The fact that there can be a limit to the type of competition that is to the advantage of the public has been demonstrated by the extent to which this country, the United States and Great Britain have gone in trying to find some balance between unrestrained cut-throat competition and that rigidity of prices which would deny any of the advantages of competition.

I would remind the house that every argument we have put forward is premised on our belief that the Combines Investigation Act should be strengthened so that it will be a really effective instrument for dealing either with horizontal or with vertical combines which are contrary to the public interest. We have asserted, and we reassert, the proposition that it is the welfare of the Canadian consumer which must be the one and overriding test, and that in any act of this kind there should be a reservation that the thing which we are prohibiting must be something that is anti-social and contrary to the public interest. We must certainly not find ourselves in the position of doing something that is contrary to the public interest in an effort to cure abuses by undue haste in introducing legislation to deal with abuses which we recognize can take place under agreements where prices are fixed either by the government, by individuals or by corporations in this country.

I suggest that the Prime Minister has given the strongest reasons why this legislation should stand over until next session; why this legislation should be given further consideration; why a committee of both houses should be set up which will really be permitted to inquire and to report upon evidence that is comprehensive and inclusive and not simply be a sham, as was the committee which met during the course of this session.

Those reasons are contained in the statement of the Prime Minister that he does not believe that this measure can have much effect on the cost of living. I wish to add to that the remark he did make that possibly it might have more effect than the government thinks it is going to have. That indeed would be a surprising way to act, to introduce legislation and to draw up a bill they did not think was going to have the desired effect, then introduce it and pass it just on the possibility that it may not do too much harm and may do more good than they themselves think it is going to do at this particular time. That would be a new process of legislating, and a very dangerous one indeed. If it is possible that it is going to do more good than they think, it is equally possible that it is going to do a great deal more harm.

It does of course introduce a certain excitement into life that has not ordinarily been the anticipated purpose of legislation put forward seriously by the government to this high court of parliament. The very fact that the Prime Minister, on the one hand, has said that he does not think it is going to have much effect on the cost of living and, on the other hand, that it may have more effect than they think it is going to have, suggests added reasons why in the interests of the Canadian consumer our general mercantile system should not be taken by the scruff of the neck and told that they must abandon practices that have been built up

over the years without the slightest opportunity to demonstrate that what they are doing is actually in the public interest and to the benefit of the consumer.

What has been said this morning is an added reason why this legislation should stand over until the next session of parliament so that there may be a full and comprehensive inquiry, and so that when the government does present the bill to amend the Combines Investigation Act it will be able to do what it cannot do this morning, to say that this is what we think the result will be and we give you the evidence why it will actually help Canadian consumers.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker—

Mr. Howe: The voice of little business.

Mr. Rowe: I hear somebody speaking about big business. I might say—

Mr. Howe: I said "little business".

Mr. Rowe: —that so far as the modern economy we have today and the democracy we are trying to save are concerned, the big business people are not destroying them half as much as little politicians.

An hon. Member: You ought to know.

Mr. Rowe: I think the more business is interfered with in various ways the more our economy and democratic system are endangered. Like every other hon. member of this house, I have a great responsibility, and I think I represent as many little interests as anyone else. Besides the people of my constituency there are several thousand little interests that are big interests at Christmas time. I refer to the labouring man's family and his standard of living. I take second place to no one in this house in my interest in his welfare as well as the welfare of this country. But, Mr. Speaker, this is a strange spectacle when we are called back to parliament at this time.

Some hon. Members: Oh, oh.

Mr. Rowe: I hear some hon. members laugh, but it is not a laughing matter to thousands of people, thousands of little men in this dominion. We have an economy of which we are proud. We have a free enterprise system that has even endured the socialistic tendencies of modern Liberalism. We have in this country a state of affairs that we are proud to show to the world. We have had such a development in the last number of years that with some pride the Minister of Trade and Commerce (Mr. Howe) can shove his chest out occasionally and say that despite the strange type of trade philosophy of those who sit behind him in parliament he has at least been responsible to a great extent for encouraging a period of great expansion.

A few days ago, as the hon. member for Lake Centre (Mr. Diefenbaker) has said today, the Prime Minister (Mr. St. Laurent) made a certain suggestion. I think he probably did so in the hectic days of the Christmas rush because he, like me, is a proud grandfather and wanted to get home to see that Santa Claus played fair with his delightful grandchildren. He suggested that if there were no other way of handling the situation he would, with the great and powerful majority behind him—and you know, Mr. Speaker, how power corrupts; some it corrupts almost completely—introduce closure. But now he comes back and in the Christmas spirit suggests that after being home for Christmas he now takes a different view of the situation entirely.

Mr. Diefenbaker: That was a strategic retreat.

Mr. Rowe: The hon. member says it was a strategic retreat. I remember an ex-minister of agriculture, whom the present Minister of Agriculture (Mr. Gardiner) will recall very well, who would have called that recantation No. 1. I refer to the late and popular Mr. Motherwell. However, I am glad, even though we are now interrupting the Christmas holidays for the first time I believe in the history of this parliament, that we are now to have the right to discuss the matter fully. It is rather inspiring that we have that right now because neither the MacQuarrie committee nor the so-called investigating committee of the house took time to look into the question properly. While they did not take time enough to look the matter squarely in the face and see all the intricate problems involved, it is a good thing, even though Christmas is over, that in the spirit of Christmas cheer we can take all the time we wish.

An hon. Member: You should know about Christmas cheer.

Mr. Rowe: I think my hon. friend does not really understand true Christmas cheer any more than he understands this issue. I have said we have an economy of which we are very proud. Even though the country has endured a great deal from the present government, I am not going to say that some of its members have not a pretty sound economic philosophy. In fact we must all agree that our development in the last number of years has been spectacular and something for pride on the part of everyone who calls himself or herself a Canadian. Nevertheless it has been the type of economy that has brought about

new problems and, as the leader of the opposition (Mr. Drew) has emphasized so clearly, we cannot turn the clock of progress back.

I was very proud to hear my leader express the views he has. I know that they must be somewhat disturbing even to the hon. member for Spadina (Mr. Croll). He sees the clear-cut political significance of the fact that the one man in Canada today who is giving more leadership than any other is the leader of the opposition in this house. When that type of popularity comes to the leader of His Majesty's loyal opposition it is called politics by those who sit to your right, Mr. Speaker; but whenever it comes—and it rarely does—from the other side of the house it is called statesmanship. We hear a lot of talk about loss leaders, but I know something about that.

Mr. Fournier (Maisonneuve-Rosemont): You should know something about it.

Mr. Rowe: Loss leaders are not as conspicuous at the present time as leaders who seem to be lost.

An hon. Member: Oh, yes.

Mr. Rowe: There are fair trade practices, and in fact free trade practices, to which the Liberal party at one time adhered.

At one o'clock the house took recess.

The house resumed at 2:30 p.m.

Mr. Rowe: When the house adjourned at noon, Mr. Speaker, I was speaking about the fair trade practices that have been developing in this country and the United States in a rapidly changing economy. These are changes which we cannot ignore. I can recall, and I am sure you can too, Mr. Speaker, the early days when competition between retailers, and indeed all classes of society, was rampant, and there was little interference by government. The burning question today is the cost of living itself, and I am sure every hon. member in this house realizes that there is no one worthy of being in this house who will not do what he can, and what he believes would be wise, to reduce the cost of living. There is no one here who has not sympathy for the man with a large family who, no matter what his wages may be, is still unable to meet his requirements because of the heavy taxation of the government plus the high cost of the commodities which his family needs. I am sure every hon. member to your right recognizes that that is why their party has suffered defeat in the last five by-elections. People are dissatisfied with the high cost of living and the heavy burden of taxation, especially when the government is showing such a large surplus.

People are wondering why they have to pay these exorbitant taxes, unless it is to prepare a campaign plan for the next election, because if the government is overtaxing the people now they can reduce taxes before an election. When one considers how much the government has interfered with business in this country, it is a rather spectacular change to find the government taking this attitude about what you might call fair trade practices. These practices have grown up over many years, for almost half a century in this country and longer in the United States. This morning the Prime Minister (Mr. St. Laurent) indicated that something must be done. The government is prepared to cross the "t's" and dot the "i's". They are prepared to restrict and restrain; they are prepared to control our economy so that every voter will have a square deal.

It seems to me that the haste with which this measure has been introduced is rather phenomenal. As the leader of His Majesty's loyal opposition very well said this morning, surely we should take time to consider an issue that may well disturb our whole economy. As he has pointed out, I do not believe anyone has said that it is going to put 700,000 retailers out of business.

Mr. Sinnott: You were not here to hear him.

Mr. Fournier (Maisonneuve-Rosemont): No one believed him.

Mr. Rowe: However, Mr. Speaker, if I was no more use here than some of the hon. members who stay here all the time, my absence would not be so conspicuous.

Mr. Fournier (Maisonneuve-Rosemont): He admits it.

Mr. Rowe: The hon. member who is interrupting sits so close to me that I am not sure whether he is laughing with me or at me, or whether he is supporting us or the members to the right. I do not say that he is not a loyal supporter of the government, because the rump of this government is more important than the head. I do feel, Mr. Speaker, that this is a very important issue. I hope the government realizes that this is not an attempt at killing time—

Some hon. Members: Oh, oh.

Mr. Rowe: No, Mr. Speaker; I know that the Prime Minister said that he is not going to put on closure unless, in his judgment, closure is necessary. If the hon. member for

Lake Centre (Mr. Diefenbaker) or some other member needles this government or makes a speech that will embarrass the government, then the government may reconsider closure if the opposition reverts to the same type of debate—

Mr. Fournier (Maisonneuve-Rosemont): It should be applied right now.

Mr. Rowe: No doubt you have been saying that in your caucus.

Mr. Fournier (Maisonneuve-Rosemont): We have not had any caucus.

Mr. Rowe: Oh, you did not? Thank you for the information.

Mr. Fournier (Maisonneuve-Rosemont): We know you have had plenty of them.

Mr. Rowe: Yes, we have caucuses because we have a leader who gets a decision from his whole group before he acts. We have the most democratic leader in this house. The public now knows that he is leading a Conservative group in which every member of this party is 100 per cent behind him. Let my hon. friends who are interrupting go out and tell the retailers of this country the same story; let them tell it to the little man on the back concession who gets up at three o'clock in the morning to get syrup for some mother's baby after the mother has walked through two feet of snow to get there. It is all very well to laugh, but I know as much about the rural parts of this country as any hon. member here. In fact, this cold I have was caused by digging my car out of the snow on a back concession last week. I know how the people in the rural parts of the province of Ontario live, as well as those in western Canada where they have not got an automobile. Those people walk to the corner store and get the storekeeper up at night to obtain some medicine, probably a standard brand at a standard price. This is not a laughing matter. The heart and soul of free enterprise in this country is the middle class, the little storekeeper or the druggist who is struggling along.

I can recall very well that the small retailer who went out of business between the twenties and the thirties. During those years the large corporation and the big chain stores took the place of the little retailer.

Mr. Fournier (Maisonneuve-Rosemont): Humbug time. You were a minister then.

Mr. Rowe: Mr. Speaker, no hon. member is a better judge of humbug than is the one who sits at my right.

Mr. Speaker: With so many interruptions it is extremely difficult for the hon. member who has the floor to make his remarks relevant to the subject under discussion. I would therefore ask hon. members to refrain from making interruptions. The hon. member seems to enjoy it, but I think we might make better progress if there were not so many interruptions.

Mr. Rowe: Thank you, Mr. Speaker. I probably do not enjoy it as much as you might think; but I trust that my remarks are more relevant to the issue than are the interruptions which have been disturbing you. But may I say this, Mr. Speaker; I have watched the situation and I have seen what has taken place under the guise of national defence. We are all greatly concerned about our defence of this country, about the high cost of living and of those things which are vital to the people who cannot afford them as well as can those of us who are sitting here today. But, Mr. Speaker, I am disturbed and alarmed at how we hide behind national defence, and at how our government wants to dot the "i's" and cross the "t's" and control the economy of this country under the guise of national defence. Mr. Speaker, we have an all-powerful government—

Some hon. Members: Order.

Mr. Speaker: Order. I doubt if the hon. member's remarks now are relevant to the issue before the house.

Some hon. Members: Hear, hear.

Mr. Fournier (Maisonneuve-Rosemont): On a point of order, Mr. Speaker, might I say that it might be useful to everybody, and especially to my hon. friend at my left, for the Speaker to inform us exactly as to what is the point we are discussing now.

Mr. Rowe: No, Mr. Speaker; I am not going to be distracted from what I have to say by the failure to understand on the part of some of my colleagues who sit so close to me. After a lengthy debate I hope that he will understand why this is an issue that the people are concerned about. It is not a case of repartee or wisecracks. It is something that affects the economy of this country and disturbs a practice that has been carried on for well-nigh half a century.

I have mentioned that the small retailer who is affected by this measure is the heart and soul of free enterprise in this country. I have mentioned that hon. members who were here between 1921 and 1930—and there are not so many of them—will recall how the small storekeepers' signs which bore their family name, and which had been on the store windows for fifty years, disappeared through the onrush of the larger merchants such as A & P and other big stores. We need

those big stores in the big centres; we need them in an expanding economy. Again I say that this is a big country; it is a wide and expansive one, and covers a large area. There are thousands of grand families living on the outskirts of these big centres.

We have heard a great deal about unfair competition. I can well remember, Mr. Speaker, how those who sit to your right today in the old days would talk about fair trade, about cut-throat competition. How they have despised cut-throat competition! Now the Minister of Justice (Mr. Garson), one of these new apostles of a new type of western Liberalism, comes down and tells us that we must have a different competition. He says it is not going to hurt many, that if they are efficient, the little storekeeper could still live despite what he is doing to him. Despite all the brilliance of the present Minister of Justice, can you imagine for a moment that he knows more about merchandising than do the people who have been practising it for half a century? Can anybody imagine that these little champions of a new form of Liberalism do? The Minister of Agriculture has fixed the price of wheat. He has established and tried to support agricultural marketing boards. He has confused the whole wheat market and he is now trying to ruin the butter and egg business. The Minister of Justice, another one with another type of philosophy, now comes down and tells us: My colleague has fixed the price of the farmers' products to the consumer through the milk boards and so on. I am going to let the devil take the hindmost. I am going to leave it to rugged individualism. I have a new brand of social philosophy for the Liberal party and I am going to stop the retailer. I am not sure what I will do about loss leaders.

Mr. Gardiner: It is the Tory government in Ontario that runs the milk board.

Mr. Rowe: Yes, but are you sure that this will not upset your whole agricultural market philosophy if you follow the philosophy of the Minister of Justice? You cannot blow hot and cold. It is no wonder that the Prime Minister blew lukewarm this morning, with so many of those around him blowing hot and cold. Mr. Speaker, you can fool all of the people some of the time and you can fool some of the people all of the time, but you cannot fool all of the people all of the time. You probably know that this is a shot-gun prescription, Mr. Speaker. The Prime Minister is playing with it like a little boy with a loaded shotgun. He does not know what is in it. He does not know whether or not it will go off; and if it does go off, he does not know what it is going to do. He does not know whether it is going to lower prices. He says it might lower them but he says he does not believe it will lower them much. But if the retailer is a really good friend of the Prime Minister, in a riding that might be doubtful, he should lower them in January anyway, to make it look popular, because the Prime Minister does not know what is going to happen.

Mr. Fournier (Maisonneuve-Rosemont): Not clever but wise.

Mr. Rowe: The Prime Minister says that the gun might go off but that he is not just sure of what will take place. He criticized the leader of the opposition for saying that the prescription might kill the patient. He does not know whether it will kill the patient or resuscitate him. He cannot cure the patient because he has not diagnosed the disease. The Minister of Justice cannot tell us. Neither could the MacQuarrie committee tell us what a loss leader was, really. If you cannot diagnose the case, I will leave it to any doctor to find what prescription he would use.

Then, Mr. Speaker, why the emergency right in the midst of our Christmas holidays? You would think that war had broken out this year. The minister says: This peril is here and we have got to legislate to restrict resale price maintenance. We have got to cross the "t's" and dot the "i's" now when it is necessary. There is a great peril threatening the economy of this country. You would imagine that this whole thing was going to collapse around our heads. In all the years of fair trade practices we now have 15 per cent of the great volume of trade in this country under resale price maintenance. In fifty years this practice has absorbed 15 per cent of the great volume of trade in this country! Now in the Christmas season, between Christmas and New Year's, we must rush back to parliament and solve this immediately before it overtakes the whole country. In fifty years it has absorbed 15 per cent. I will leave it to you, with your mathematics, Mr. Speaker—you have more time at present than I have—to figure out how many years it will take to absorb all of our economy. Yet we have to take action here before the 1st of January. Yes, it smacks to me of the January sales. If the Prime Minister knows half as much about economics as he does about corporation law, he knows that in January the sales generally take place anyway, and prices will fall anyway.

Some hon. Members: Oh, oh.

Mr. Rowe: Yes, they will fall anyway. Even the hon. member who interrupts on the back benches knows that. I did not know that he did.

An hon. Member: That cat is out of the bag.

Mr. Rowe: Yes, Mr. Speaker; as somebody says, the cat is out of the bag. It came out this morning. It looked like one of those with a Christmas ribbon tied around its neck because it was then showing exactly what this government is trying to do. Mr. Speaker, this government cannot tell the consumers today that, because they are going to stop the imposition of resale price maintenance on 15 per cent of the volume of standard brands, that is going to lower the cost of living. The Prime Minister himself this morning said that he did not see that it might lower prices very much, but he thought that the retailers might lower the prices. He thought that. But if the retailers lower prices, what guarantee has the man in the back concession—the man that some hon. members were laughing at a few moments ago—will not have to pay more money at the corner grocery store? What guarantee have you that as to the standard brands that have been under the practices of the trade or manufacturers indicating the prices that should be charged, the prices will not be tampered with so that you could sell those standard brands at 30 per cent less than I can sell them?

Mr. Cannon: Will the hon. member permit a question?

Mr. Rowe: Yes.

Mr. Cannon: The manufacturer can still impose a maximum price. There is no danger of the retailer increasing the prices.

Mr. Rowe: I am not just sure what that has contributed to the issue, but in view of the fact that I am trying to be relevant in my discussion of the issue I shall try to help the hon. member to be relevant. The manufacturer stops manufacturing when he cannot make a profit.

Mr. Garson: It just happens to be the point that the hon. member is discussing.

Mr. Rowe: I am glad to get some help, because this is the first time that I have ever had any help from that side of the house.

Mr. Cannon: If you will permit me, the point I was making is that if this legislation is passed the manufacturer will still be able to impose maximum prices.

Some hon. Members: So what?

Mr. Rowe: I think everybody knows that that is true. In fact, the maximum price can become the minimum price. As one who knows something about manufacturing I may say that because of the high cost of wages and of manufacturing you do not usually manufacture at a loss. But I do know this, and it came out in the MacQuarrie committee report and in other investigations in 1948, and so forth, that on the 15 per cent that is controlled by resale price maintenance policies from the manufacturer to the retailer, on that range of goods, the prices, percentage-wise, have increased less than on the other 85 per cent. You ask why.

Mr. Mutch: Nobody said a word.

Mr. Rowe: I will tell you why. The reason is that the volume of business usually increases because of the stability and prestige of the product and the confidence that the public hold in the product, knowing that it sells at the same price across the board. They know that in the manufacture of the standard brands quality is not tampered with; they know that the small fellow in the outlying districts, where there is no competition, is not going to charge 50 per cent more than the article is worth. They know that somebody else is not going to put out the standard brands as a loss leader so that they will get you in and sell you ten times as much at higher prices.

I have grave misgivings of any part this government proposes to play in the economy of this country. I have watched what has happened when they have dabbled in the markets. I say again, and in all seriousness, that it is a strange spectacle we see today. Here is a practice that has gone on in my memory for over a quarter of a century, and which was not questioned once by the commissioner of combines. Now we are here between Christmas and New Year's in order to get it settled before the January sales.

The effect of fair trade practices has not been disproved, Mr. Speaker. I cannot remember when fair trade practices have not meant a better deal for the consumer. I take the view opposite to that of the Prime Minister of this country when I say that this legislation will cost the consumer money instead of saving him money. It will destroy the protection of standard brands; it is unnecessary, unsound and uneconomical; it deals with no emergency at all in any sense of the word. The Prime Minister answered that himself when he said he did not believe it would have any particular effect on the cost of living. Therefore there is no peril except after fifty years resale price maintenance has developed to the extent of 15 per cent. This is a practice that has been in force for over half a century, but the Prime Minister now informs us that it has grown so fast that it must be stopped before New Year's day.

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

Mr. Rowe: Yes.

Mr. Pouliot: I have been following him very closely and I wonder whether he is not repeating the same speech that he made sixteen years ago in defence of the Natural Products Marketing Act of the Bennett government which was declared illegal by the privy council?

Mr. Rowe: Well, Mr. Speaker, I do not remember the speech I made sixteen years ago, but I am delighted that my—

Mr. McCann: Nor anything else.

Mr. Rowe: You do not; you were not here. I am delighted that my genial friend, the hon. member for Temiscouata, was so impressed by it sixteen years ago that he has never forgotten it.

Mr. Pouliot: I do not suffer from amnesia.

Mr. Rowe: I have a great regard for the hon. member for Temiscouata, and I do not believe that I have ever suffered as much in listening to his speeches as he has suffered in listening to mine.

Mr. Pouliot: I am not suffering; I am enjoying it.

Mr. Rowe: Thank you.

Mr. Pouliot: I regret that my hon. friend is not wiser, because he is the only privy councillor of the Bennett government in this house. He was as impressive then as was his leader of the time.

Mr. Rowe: I must thank the hon. member for Temiscouata. I think his compliments are more attributable to our personal friendship than any credit that I deserve for being impressive. I have always had great admiration for the hon. member, despite some of the speeches he has made. I have great personal admiration for the hon. member for Temiscouata.

Mr. Pouliot: Hear, hear.

Mr. Rowe: I know that the hon. member for Temiscouata will recall that on several occasions I have urged assistance to farmers, because I was a farmer, and I am still a farmer. Some hon. members may not think that I do much farming, but if you saw my farm you would know that there is plenty left to do. I know that many have posed as farmers in this house over the years, but I think I still farm more land than some of these hon. gentlemen who are interrupting me. However, I am not going to brag about how well I do it.

Mr. Fournier (Maisonneuve-Rosemont): It would be better for you not to.

Mr. Speaker: Order.

[Mr. Pouliot.]

Mr. Rowe: As the hon. member for Temiscouata has said, I urged that assistance—

Mr. Pouliot: I ask the hon. member to leave my leader alone.

Mr. Rowe: That is good politics. Every party needs a buffer. I do not care how much you attack my leader, because he is capable of looking after himself.

I have on different occasions, Mr. Speaker, urged that we should have some more regulations on the sale of farm products. I know the hon. member will recall that I have urged —in fact I have heard him urge—that we should develop home markets, and a reasonable degree of protection for the farmers. That has been the trend of both parties in this house for many years. But today the Minister of Agriculture (Mr. Gardiner) and his party have gone one better. They have fixed the resale price; they have resale price maintenance on wheat.

Mr. Gardiner: I do not handle wheat.

Mr. Rowe: No, you do not handle wheat, but I remember so well that when you were getting handlers to handle it you certainly mishandled the issue to the extent of half a billion dollars of cost to the farmers of Canada. I can well recall—

Mr. Pouliot: Mr. Speaker—

Mr. Speaker: Order.

Mr. Pouliot: I rise to a point of order. Now that the hon. gentleman has paid such a nice tribute to me in my humble capacity I want to rise to a point of order.

Mr. Speaker: Order. If I may be permitted to rise to a point of order, I will hear the hon. member for Temiscouata afterwards.

Mr. Pouliot: Thank you.

Mr. Speaker: The hon. member who has the floor is not speaking directly to the bill at the moment, but I do not think we can blame him entirely for that. Hon. members have asked questions which he has been constrained to answer. I would think the hon. member would have less difficulty in discussing the bill if there were not so many interruptions.

Mr. Pouliot: Mr. Speaker, according to the order paper the question before the house is:

Resuming the adjourned debate on the motion of the Minister of Justice for the second reading of Bill No. 36, an act to amend the Combines Investigation Act, and on the proposed amendment thereto of Mr. Coldwell, and on the amendment to the amendment of Mrs. Fairclough.

Mr. Speaker: Order. Probably the hon. member can raise the point of order after the hon. member who has the floor has finished his speech. It hardly seems fair to interrupt at this time.

Mr. Pouliot: I was explaining the point of order, Mr. Speaker. The point of order is that we must discuss the suggestion of our hon. lady friend.

Mr. Drew: That has been disposed of.

Mr. Speaker: I might inform the hon. member that a number of hon. members were late in their arrival today because the trains have not been running on time. I would say to him however that this morning we disposed of the amendment of the hon. member for Hamilton West (Mrs. Fairclough).

Mr. Pouliot: I am very glad. That is progress.

Mr. Speaker: The hon. member for Dufferin-Simcoe (Mr. Rowe) may proceed.

Mr. Rowe: Mr. Speaker, I am glad the hon. member for Temiscouata (Mr. Pouliot) observes progress made in his absence. I certainly feel complimented by the hon. member and by others in the house because at this late date in the debate, at a time when the Prime Minister fears that the debate may go back to one that is not quite relevant to the issue, whether or not my remarks are relevant it would appear that at least they seem to attract the attention and the interest of experienced members such as the hon. member for Temiscouata.

However, I see the time at my disposal has almost expired, and I do not propose to detain the house at greater length. If the interruptions were counted, I am not sure whether I have spoken my full time. Then it may be that the hon. member for Spadina (Mr. Croll) who, I believe, is to follow me, would rather listen to me than say what he is going to say.

I feel this issue is far more important than many hon. members think it is. There is no emergency. I say positively there is no emergency. There is no member sitting to your right, Mr. Speaker, including the Prime Minister, the Minister of Agriculture (Mr. Gardiner) and the Minister of Justice (Mr. Garson), who can make people believe that this is a national emergency which must be settled before the new year. There are other matters on the order paper far more important than this one.

Mr. Martin: Have you read Mr. Hannam's letter?

Mr. Rowe: I have read Mr. Hannam's letter. But in view of the fact that this morning Mr. Speaker ruled that one must not mention in the house something that has happened outside the house, I think perhaps I am not free to refer to the letter. However, since the minister has made the interjection, I think I should be permitted to reply.

Mr. Speaker: I have no objection to the hon. member replying to the interjection by the Minister of National Health and Welfare (Mr. Martin), but I hope he does not propose to read any letter that may have been received.

Mr. Rowe: No, I certainly would not impose anything like that on the house. I think his letter was unsound—and I say this to those whom he supports so diligently. I say it because I represent as large a rural riding as any member. I know the farmers, and I do not think what Mr. Hannam has written represents the viewpoint of the majority of farmers in Canada, when he says that while resale price maintenance is not good for the little storekeeper on the corner it is good for the farmer in the sale of wheat and other foodstuffs.

I do not think he is consistent. But I have noticed that he blows both hot and cold, so long as the air goes toward the support of the Liberal party.

Mr. Martin: The farmers won't like that.

Mr. Rowe: Your farmers may not, but I will speak for my farmers. As my leader said this morning, what is sauce for the goose is sauce for the gander; and if it is sauce for the farmers in the country it is sauce for the little storekeeper at the corner store.

An hon. Member: What about the consumer?

Mr. Rowe: What about the consumer? I think I have explained that it is just as likely to raise the price to the consumer—even if the Prime Minister does not know what it will do. So if you know all the retailers are going to lower their prices, you can tell Mr. Hannam that. I cannot tell my people that prices will go up—I cannot tell them what they are going to do. But I know that, in connection with the standard brands involved, this will not bring stability to the drug trade and to the small retail stores. It will not bring confidence to the consumer—it will not do anything for him. It will not give any assurance at all to the manufacturer. It will stand as a threat by way of higher prices, and it will upset trade—just the same as the Minister of Agriculture upset trade in the

butter and egg business, and in almost everything he has touched where there has been government interference.

The hour has struck in this country when you should give business back to the businessman. As I said at the outset, the big businessmen of this country are not as great a threat to our economy and our democratic way of enterprise as are the little politicians. Let the shoemaker stick to his last. It has been said that he governs best who governs least.

The more we have of government interference, the worse it is. The hon. member for Temiscouata, and others who have sat in the house for a quarter of a century, know very well that every time you meddle with business you confuse it. As I said at the outset today, we are in a time of great prosperity in this country, although there is another war being waged now—whether it is hot or cold; and it is hot enough for some of our boys.

But I say that, with three wars inside of half a century, we know the effects of artificial sustenance of the economy. There are certain companies, certain industries and certain people making money. Our labouring men are receiving more wages than ever before; but at the same time they are paying a terrific cost to live. They are worried about what is waiting around the corner. We have seen a depression before, and we know what happened to the little retail store keeper. From my own personal experience I know that those storekeepers carried the accounts of poor families at a time when the large stores in Toronto, Montreal and Quebec city would not carry them.

These are community people. They help the Red Cross, the Roman Catholic church charities, the Protestant church charities, the societies. They have been the leaders in their communities. I am concerned today about the thousands of small retailers who make up a great volume of the middle class people—more concerned about them that I am about the big chain stores which are doing well, and will continue to do well. It is not in the interests of either of these groups that they be disturbed in this way. It is not to their interest to disturb experienced business that has operated successfully for half a century.

I am sorry, Mr. Speaker, if I have exceeded my time, but perhaps the extra time would be accounted for by the interruptions.

Mr. David A. Croll (Spadina): Mr. Speaker, I was not privileged, as was the hon. member for Temiscouata (Mr. Pouliot) some sixteen years ago, to hear the hon. member for Dufferin-Simcoe (Mr. Rowe) make that memorable speech. I thought the hon. member carried it too far today when he started to deliver us a lecture on closure. I think probably he is the only man sitting in the House of Commons today who voted in favour of closure at that time. So my hon. friend speaks with more expertness than I would. If he is not a great expert as a farmer, he is certainly an expert on closure.

My hon. friend started out by saying that the government had dabbled with farm markets and upset the trade of the country. I saw a press report this morning which indicated that farm income for the first nine months of this year was up 25 per cent over what it was last year. And when my hon. friend tells us that Mr. Hannam, the president of the Canadian Federation of Agriculture, does not speak for the farmers of this country, then I say to him that he had better change his own description in the Parliamentary Guide because it is indicated that, in addition to being a manufacturer he is also a farmer. If my hon. friend is described as a farmer he must know who Mr. Hannam is.

Mr. Fournier (Maisonneuve-Rosemont): You must mean the stud book.

Mr. Rowe: I never dabble with *Hansard*.

Mr. Croll: I for one welcome this legislation.

Mr. Casselman: Tell us about the purple gang. You know what I mean.

Mr. Croll: I do not know what you mean.

Mr. Rowe: Go ahead.

Mr. Croll: You must be out of your mind.

Mr. Casselman: You must have been then.

Mr. Croll: I do not know what the hon. member is saying.

Mr. Speaker: Order.

Mr. Croll: I welcome this legislation because it is in the best Liberal tradition. Historically and traditionally we have been opposed to trusts, cartels and combines. Today we are considering the kind of legislation we ought to be considering. I point out to the government that never was the line of demarcation between political parties so well drawn as it is at the present time. As a matter of fact, we should emphasize and re-emphasize to the country just exactly what is our position and what is the position of the official opposition.

I should like to say a word about the committee. Some harsh things have been said in this house about the chairman of the committee. This house has already had an example of delay, filibustering and obstructionist tactics. The committee was faced with the same tactics from the beginning.

There was stalling and delay on points of order and questions of privilege. There was constant repetition almost from the beginning.

The chairman had a little greater scope than the Speaker in this house and, being able to make some of his own rules as he went along, he pleaded with the members of the committee, he cajoled, compromised and did everything possible in order to get on with the hearings. All I can say about that committee is that it was a most interesting and important committee, but if I had had an ulcer it would have been aggravated at the end of the sittings.

So far as I am concerned, I do not think it would be wise to apply closure. Let them talk; let them continue to talk, because one thing is becoming very clear: the people of this country are beginning to be aware that there is a great issue at stake. During the week end when I was at home for a few days I found that this was an important topic of discussion. The consumer is becoming aware that we are trying to do something for him, to do something for his benefit, while the Tories are stopping us from doing it. He is not very clear as to what we are trying to do, but there is very little clarity across the way in the opposition benches. I give my hon. friends some gratuitous advice. They are not only not making friends, they are not influencing people.

The hon. member for Peace River (Mr. Low) gave some advice to the leader of the opposition (Mr. Drew) who did not take it. The hon. member said that when they had made their point, as they had in dealing with Bretton Woods, a vote should take place. He told the house they had continued until they had made their point. As it turns out, he and his party were right as far as Bretton Woods was concerned and I think the rest of us were wrong. I am speaking now only for myself. If there had been any political benefit, they would have received it. The trouble was that nobody in the country understood what Bretton Woods was about. I must confess that I did not understand clearly what it was all about. I am not going to ask the hon. member to explain it at this time. Some day when we have more leisure I am going to ask the hon. member for Lethbridge (Mr. Blackmore) to do that.

Mr. Low: I would be about as much in order as other hon. members have been.

Mr. Croll: My own thought is that when we come back after New Year's the Prime Minister (Mr. St. Laurent) should make an issue of this bill. At that particular time he should also bring down a budget. There is nothing I would like better than to go to the country on this particular issue. The leader of the opposition smiles, but let me tell him that this is the first clear issue I have seen in years. The Tories would not return enough members to occupy a telephone booth.

Neither in the speech from the throne nor subsequently in this house did the Prime Minister promise to pull a rabbit out of a hat for the consumers of this country. What he did say, or what he implied was—

An hon. Member: Be careful now.

Mr. Croll: —that big business and business would not be allowed to gang up on the consumer. I think I know as much about the cost of living as any other member and I feel that with the measures that we have already taken this measure will at least take the zip out of the zooming high cost of living. I was not here to hear the leader of the opposition tell the house about the possibility that we of the Liberal party—we are glad to share it with the C.C.F. and the Social Credit, as there is enough glory for all—will get the political benefit if the cost of living falls in January and February.

It is normal in this country to have bargain sales in January and February, at which time the merchants dispose of old stock they were not able to sell in December. That is the most normal thing that could possibly happen. This egislation was not forecast at Christmastime; it was forecast on October 9 and it could have been passed in the early part of November. It was not planned to have it go into effect at this particular period.

What is worrying the leader of the opposition is that there has been a certain amount of buyer resistance in the country. There has been a certain amount of anticipation over what will happen when we abolish price maintenance. The natural thing that will happen is that people will dispose of their stocks as quickly as possible and prices will fall. There is not any question about that at all.

It seems to me that with the measures we have already taken it is inevitable that the cost of living must come down. January and February are the usual months when we have sales. What I think is worrying him is that the cost of living may continue to drop in March as it may well do because business knows that there will be a budget in April and that it is inevitable there will be reductions in taxes, including excise tax, as has already been predicted on many occasions. By that time people who are planning for April, May and June will be cutting their prices once again.

There are actually three schools of thought today throughout the world on the question

of the cost of living. There is the British school of thought which believes in direct controls, subsidies and rationing.

An hon. Member: Bankruptcy.

Mr. Croll: That is their method of approach. The United States on the other hand have a mixed system. They have adopted the British idea of partial controls, and they have also gone in for credit controls. The result is that their best friends tell them they have messed it up. They have grey and black markets that are larger than the normal market. On the other hand we in this country have taken an entirely different course, that of credit restrictions and the imposition of taxes for the purpose of taking money out of circulation in order to control the cost of living. We have used every conceivable method of trying to bring down the cost of living, and the measure before the house is just another one. How much good it will do one cannot foretell at the present time, but it may be it is the straw that is now necessary. It may do a great deal more than we anticipate, or we would not have the kind of opposition that is being put forward against this bill. There is a great deal of worry across the way.

Mr. Fraser: Because everything the government has done so far has put up the cost of living.

Mr. Croll: Last month the cost of living rose ·8 per cent.

Mr. Sinclair: It rose ·8 points.

Mr. Croll: It is anticipated that within a very short time, perhaps even this month, we will be able to both halt and hold the rise in the cost of living. If we are able to do so we will be the first ones in the western world to be successful. If we are able to hold it for two or three months the people of this country will come to realize that the government knows what it is doing and they will have the kind of confidence that will bring down the cost of living even more rapidly than before. For the first six months of this year I think business will be large in volume. Perhaps profits will not be as great as formerly but I think the time has come for us to tell business that it must stop acting as if it had been born with a silver spoon in its mouth and must forever be reaching for an even larger ladle.

The leader of the opposition (Mr. Drew) was very much concerned about what the bill will do. Will it bring the reductions that we anticipate? I should like to ask him what he is worrying about. If it does not bring reductions it helps him politically and he ought to welcome anything that helps him politically. On the other hand, if it is a good measure then it will redound to our credit. He made a statement later in reply to a question I asked, which left the inference that I was a mere politician and he was a statesman, although he did not say he was a statesman. I remember the answer Mitch Hepburn made one time in the legislature of Ontario when faced with a similar situation. He said, "The politician gets elected".

Mr. Drew: Just so that we may keep the chronology clear and know what measure of respect the hon. member had for Mr. Hepburn's views at that time, was that before or after Mr. Hepburn dismissed him as a minister in his cabinet?

Mr. Croll: Let me tell the hon. member that Mr. Hepburn never dismissed me.

Mr. Drew: Oh yes, he did.

Mr. Croll: I resigned from his cabinet, as my hon. friend well knows. It is a matter of record. I am sorry that the hon. member for Dufferin-Simcoe (Mr. Rowe) is not in the house because in his speech today he said that he welcomed criticism of the leader of the opposition. No man in the province of Ontario criticized the leader of the opposition more than the hon. member for Dufferin-Simcoe. I remind the leader of the opposition that when he was organizer for the hon. member for Dufferin-Simcoe, who was leading the Conservatives in Ontario the hon. member for Dufferin-Simcoe found one day that he was not the leader of the party. He found that the leader of the opposition (Mr. Drew) was the leader and he was out in the cold. Let us get back to the bill.

Mr. Drew: I can understand why Hepburn got rid of the hon. member.

Mr. Croll: This measure is one that should have been introduced a long time ago. I think it writes new basic freedoms into the law of the land. It gives the consumer the right of choice and freedom of prices. It gives the retailer freedom of prices and of services. So far as the manufacturer is concerned, we withdraw from him freedom of control which carries with it some freedom to exploit. By passing this legislation we solve one problem but we must not deny the fact that we create another problem. It is one that has been referred to in the house on many occasions. We have got to meet it now or later. We open the door to abuses on the part of corporations with long pockets and short memories. We open the door to anti-social predatory groups who can slash, cut, juggle, unload, and take over smaller businesses.

The group, consisting of Eaton's, Morgan's, the Hudson's Bay Company and others,

endorse this legislation. Frankly we were embarrassed by their endorsement. Anyone who has heard the speeches made in the house will realize that the name of Eaton's has been tossed around like a hot potato. Nobody wants any part of them. Even the Tories are trying to divorce themselves from having anything to do with the organization. The Prime Minister (Mr. St. Laurent) said that the situation with respect to such practices would be watched closely and would be under constant review. I am going to be more blunt and firm than becomes a middle bencher and say to people contemplating cut-throat competition: Don't do it. I will give them the very best political, common-sense and economic reason why they should not do it. If the large retail and chain stores have any intention of stepping out of line once the legislation is passed, cutting, slashing prices and taking over small businesses, let them think again. I will tell them why in the most practical way I can, and in a way which I think they should understand.

The druggist in my community and in every other community belongs to my lodge and my luncheon club. I see him regularly. The grocer in my community belongs to the Legion and the community association, and we worship together. The jeweler and electrical dealer sit down with me and play a game of cards, perhaps poker, once a month.

An hon. Member: Canasta.

Mr. Croll: My friend insists it is canasta. The hardware merchant, the clothier and I sometimes fish and play golf together. Some of these people belong to my Liberal organization, attend my meetings and are my supporters. Before starting out on their new adventure, these large organizations should keep in mind that they are just institutions. They are impersonal, cold, aloof and suspect. If they deal unfairly with our friends and our neighbours, we in this house shall see that a proper remedy is applied.

An hon. Member: Why wait for that?

Mr. Croll: We wait for it, because I do not think they will do it. I do not think they are silly enough to try it, but they may. Until such time as the situation arises, I am prepared to go along with this measure. I did attempt to introduce a measure to deal with the loss leader but it was thought that we should not deal with it for the moment in other than this fashion. I am prepared to go along with that. I believe we shall have ample time to deal with the problem, because the house will only be out of session about two months at the most.

What I am saying is that I hope it is clearly understood that if these large predatory interests damage our merchants unfairly, we in this house do not intend to stand by and see our neighbours impoverished. My suggestion to these corporations is to live and let live. They will live longer and be a great deal happier. Let me say another word to these people if they have such thoughts. There comes a time when profits cannot be so important. As a matter of fact, I have never seen an Eaton's statement in my life. I do not think they publish them. Now and then I read a Hudson's Bay statement. If I had stock in the company it would give me a great deal of pleasure—it does anyway—to see the company making progress. Surely, there comes a time when the business reputation of the company is worth far more than the profits that could be obtained through acquiring another store or another outlet. If we find that these predatory interests, these anti-social interests, are attempting to exercise a power which may be unfair under the new act, then we can only come to the conclusion that they are fighting for power. That is the point I want to make. I want to say to them, and I think it can be fairly said on behalf of this side of the house, that no matter how fine their characters, no matter how high their motives, no matter how excellent their ethics, and no matter how air-conditioned their offices or how elegant the appointments of those offices, power which affects the economic health of the people belongs, not in some skyscraper, penthouse or board room, but in this chamber and must be exercised from this chamber. If these people who have these anti-social views want to be labelled public enemy No. 1, they know how they can do so. They are not too popular in this country today. It may be that they will not try to become less popular.

May I say a word to the Minister of Justice (Mr. Garson)? I have heard some stories, and I do not feel happy about them. They are concerned with the glass and match prosecutions. The government did a good job in prosecuting and fining these combines, but I have reason to believe that the story I have been told is a correct one. It has been said that immediately after being fined the match people raised their prices, as did the glass people; that the raises were uniform and identical, and the consumers of Canada are paying the fine without the loss of a dime to those companies. I believe the penalties under this act are not adequate. There are too many

striped-pants directors who ought to be provided with striped coats and a number in addition at government expense. In that way the act could be enforced.

I am not going to say any more, except this. My friends across the way are making a great to-do about the little retailer. One would think that the little retailer was looking to them for friendship, comfort and help. I want to remind them, and I shall remind the little retailer too, that the best days these retailers experienced were the last sixteen years under a Liberal regime. This country grew and grew in those years. As for the Tories, they were in power from 1930 to 1935, and the little retailer knows exactly what happened to him during that period. In everything we have done we have attempted to build up the middle class in this country. We have attempted to tax in such a manner that the middle class has a definite position in the community. We have attempted to make opportunities available to the middle class retailer. In the last sixteen years he has grown by leaps and bounds. There was never any intention, now or at any time in the future, of this government abandoning these retailers who, we think, are the salt of the earth and the backbone of the community. In the past we have given them every opportunity, and we shall continue to protect them in the future. To have my friends opposite come forward as the champions of this class is as phony as the statement they made that they are not really opposed to the bill, but merely want more information about the problem. With all the delaying tactics, the filibustering and obstructionism, I find that the position of the Tory party on this bill may be summed up in these words appearing on page 2110 of *Hansard* for December 17, 1951:

> . . . I wish to emphasize that we are not taking a strong position either for or against the merits of the price maintenance system as presently practised.

All I am saying to the house is, think what could have happened if they had taken a strong position and told us where they stand on the bill.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I imagine we have all listened, as I have, with considerable interest to what the member for Spadina (Mr. Croll) has said. I do not understand that the word "demagogue" is an unparliamentary word. I believe it just means a certain type of argument, and I would say that the member for Spadina was in one of his demagogic moods. I should like to take up two or three of the things he said.

First of all, we heard that old phrase which is so familiar. He commended the bill by saying it was in the "best Liberal tradition." I always pass that up because it is one of those phrases people do get used to, and they use it often. I suppose that sometimes it has a meaning to them, but I am not going to waste the time of the house on that. Then, the hon. member put in a plug for the chairman of the committee, and I was interested when he said that the chairman of the committee was handy at "making his rules". I think perhaps he said his own rules. It seems to me that confirms better than any of us could have wished the complaints which have been made about the conduct of the committee. The chairman was handy at making his own rules as he went along. The hon. member also used the word "cajole". I do not press that unduly. I suppose it means to wheedle or persuade people by various means, but falling short of anything improper or false. I might describe it by saying it is an attempt to weave his way through. Perhaps the most interesting part of his speech to me was when he dealt with the matter which obviously embarrassed him a good deal. What I mean is this. We had all the old stuff which is so familiar, in the best manner, about our party —that is, the party to which I belong—being the friend of big business. I think one of the most interesting impostures—and it has not always been unsuccessful—is for the Liberal party in all these years to have held itself out as the big brother of the poor whereas anyone who knew his onions, Mr. Speaker, has known all these years that they were the little brother of the rich, right along. There never was a more barefaced attempt at making the worse appear to be the better reason. But he is embarrassed—

An hon. Member: Quit kidding yourself.

Mr. Macdonnell (Greenwood): Thank you. I know you are a real help and you say that sincerely. But he was embarrassed, and he was embarrassed by some of his friends. We are often embarrassed by our friends even more than by our enemies. He realizes that this legislation, while it has met the criticism of small business on the whole—I think one might say almost wholly of small business and some substantial amount of bigger and ever bigger business—still there are some of the colossuses, if that is the proper plural, of business which approve of this legislation, and the hon. member for Spadina was a little bit embarrassed by that fact.

An hon. Member: Colossuses?

Mr. Speaker: Order.

Mr. Macdonnell (Greenwood): I am ready to be corrected as to that plural by any hon.

member competent to do so. As I say, the hon. member was embarrassed by this and he resorted to a technique which interested me greatly. He delivered some remarks which seemed to me to be a kind of cross between a sort of sermon and a threat.

Mr. Diefenbaker: A homily.

Mr. Macdonnell (Greenwood): Yes, a homily. That is the word. He spent some time on that. He warned them of the dreadful things which would happen if they took advantage of their strong position. He did not say what those dreadful things were; but I suppose when you are in the "best Liberal tradition" you do not have to say those things; you just know that somehow or other they will happen. But he was obviously embarrassed. Then, he got away from vague threats to business and he came to a definite threat to us. He tried to make us shake in our shoes. He tried to reduce us to a kind of dithering state by threatening us with an election. We are going to have an election; that is what he threatened us with.

An hon. Member: You know what happened to you last time.

Mr. Macdonnell (Greenwood): I am interested in that remark, coming as it does from an hon. member who, I think, knows a good deal about elections. I am sure we feel that it is not a matter which should be wholly neglected. But at any rate he held that threat out to us and we were supposed to be duly terrified by it. I am reminded that perhaps we should not be as worried as he thinks we ought to be because in the last year we have had a good deal of indication that the electors are not entirely averse to us or to the things which in our small way we have tried to stand for.

I have referred to the remarks of the hon. member for Spadina. I do not think he would want me to say any more about them, and I do not intend to do so. I would have been embarrassed in speaking at all today if it had not been for what the Prime Minister said this morning. On Thursday last I had an idea that the Prime Minister, when he mentioned that word "closure", had reached the stage which apparently the hon. member for Spadina has now reached. The hon. member for Spadina told us that we were guilty of filibuster and obstruction and all kinds of terrible things. I was interested to note what the Prime Minister said this morning. I suppose the Prime Minister still speaks for his party when he stands up. It appears that he does. Therefore, on the whole, I am prepared to accept what the Prime Minister says in preference to what the hon. member for Spadina says. What the Prime Minister said this morning was to the effect that the discussion on Friday had been fruitful; I think that is what he said. I felt pleased about that remark, because I contributed my own half pint to that discussion. When the Prime Minister spoke well of it and said that it had been fruitful, I felt encouraged. I must point out, however, that even the Prime Minister is not wholly free from inconsistency because it would look as if we were not reasonable on Wednesday or Thursday but that on Friday we became reasonable. It would appear that on Thursday when the Prime Minister spoke about closure, he must have felt that we were perhaps not being wholly reasonable; because as you will recall, Mr. Speaker, this morning he used this phrase "reasonable human beings under normal conditions", and when he used that phrase I thought the implication or the innuendo was that there was danger that we might not qualify for that description; in other words, that we were becoming unreasonable and that we were not under normal conditions. I was therefore glad when the Prime Minister came out flatfootedly and said that the debate had been useful. So for my own purpose—and the hon. member for Spadina will perhaps forgive me—I am going to dismiss what he said about obstruction and filibuster as just a lot of—I do not want to use a rough word, so I will just call it—hooey, and I hope he will not mind.

I am going to ask a question which has been asked here many times. It is this. Why are we here today? Some people will say: We are here because you in the opposition have been unreasonable and you brought us here.

Some hon. Members: Quite true.

Mr. Macdonnell (Greenwood): I accept that view from those who express it, making the necessary qualification for the source from which it comes. But, speaking for myself, I want to say that I think we are here in a real sense to protect the rights of the minority. I think it is perfectly clear that whatever else we have or have not done, we have done a bit of a job on that score; because it is perfectly clear that the attitude towards closure today is entirely different from what it was a week ago today. I suppose that change is partly because of the Christmas spirit; as the hon. member for Dufferin-Simcoe (Mr. Rowe) has said, partly because the Prime Minister, like the rest of us, has been at home and the world perhaps looks a little bit different after Christmas. However that may be, closure was certainly threatened last Thursday, and we had every right to govern ourselves accordingly. I can only repeat that I am glad of what the Prime Minister said about the debate on Friday.

A good deal has been said about urgency. I think it is relevant, and I want to say a word or two about it, because we are not here for fun. None of us wanted to come back here today. The only reasons that could possibly bring us here would be if there was urgency. I listened with care to the Prime Minister when he spoke this morning—I am sorry I have not had the chance to read his speech since then—but I do not think he made much of a case for urgency. It seems to me that he could not make much of a case for urgency when all that he could find to say about this measure which we are here to pass was that he thought it might do a bit of good; and if it was able to do any good, we ought to have it. I am not so sure that I would not agree with that remark up to a point and before I sit down I want to try to say something on that score. I hope at any rate I will make people believe that I am sincere when I say that if anyone were able to make me believe that this bill would bring down the cost of living, I would vote for it and advocate it. But as I say—and I shall try to say a little bit more about this in a minute—nothing that happened in that committee provides any evidence to that end. As a matter of fact, while the committee was not allowed to have enough evidence as distinct from opinion in order to reach a conclusion on anything, I would say that the balance of evidence was in favour of the argument that resale price maintenance actually kept costs down. Let me say this in passing because really there is a suggestion—I am sorry to say the Prime Minister used the word this morning—of wrongdoing. I will come to that matter a little bit later on. We are getting very near the stage, as the hon. member for St. James (Mr. Beaudry) pointed out the other night, where we are arraigning, we are putting in the dock —some of us are—a whole group of people, and really charging them with being a lot of profiteers, without a word of evidence. I will come back to that a little later too.

On this question of urgency I want to read a word or two. I read it the other day, but I want to bring it back here today because it is relevant and it is important, and it has never been answered. These are the words of Senator Lambert, in which he said in effect that the committee was not being allowed to do what it was set up to do. I will read his own words so there will be no danger of a wrong paraphrase. At page 248 he said:

> I do not suggest that this committee should undertake as wide and as detailed an inquiry as the Curtis commission did, but I do submit that the MacQuarrie report does not begin to approach, and I do not think their investigation has begun to approach, from the public point of view, and from the point of view of a democratic interest in this whole subject, the work that was done by the Curtis commission. The MacQuarrie report is a very well stated summary; someone has compared it to an obiter dictum of the supreme court on arguments, and I think that is what it is. There is not a word of evidence given in it. There is a summary of arguments, pro and con, on this subject, but, to my way of thinking, it is something that invites me, as a member of parliament, to reflect back to the people of this country public opinion, to which I am responsible, some degree of evidence to support the conclusions of the MacQuarrie report.

Here we are, Mr. Speaker, being asked to act without evidence, as the hon. senator says, who was once a high official in the Liberal party, and who is respected quite apart from that—I will not say in spite of that—and his statement has not been answered, and I submit it cannot be answered successfully. Yet, the hon. member for Spadina (Mr. Croll) says that we are guilty of obstruction because we say: Let us have the evidence. We are going to create a crime; we are going to establish a new crime, which is going to turn a lot of people into criminals unless they alter their way of doing business. We are doing that without having the evidence. How a great lawyer like the Prime Minister (Mr. St. Laurent) can reconcile that with his background, I do not know.

What is the urgency? There has been no real suggestion of urgency. The only urgency which we all feel—and I imagine it is not confined to our side of the house, though it is only on this side of the house that it will be expressed—the real urgency is the need of the government to meet the indignation and rising disturbance of mind about the high cost of living. The government is terribly anxious to do something, or to look like doing something, and of course they will be clever in making it appear they have done something. No one denies their cleverness. Indeed they will be clever at making it look as if it is going to be of great help to the consumer; and if—as we all hope and expect, or at any rate all hope—there is a little let-down in prices, why of course we will have the propaganda machine up and down the country saying that this is what did it. Whether anyone believes it or not, that is another matter.

Let us look for a little while at the merits of this measure. It was first of all put forward as a measure against inflation; but I submit that that has been practically forgotten. The Prime Minister again stated his view on that this morning, and I shall not take the time of the house to go over it. But, as the hon. member for Dufferin-Simcoe (Mr. Rowe) has already said, no one could describe it as warmer than lukewarm. The

Prime Minister was very frank and fair in what he said—I mean as to the great merits, to put it mildly, of any expectation he had. Indeed, he went further than that and he practically said: We do not know what will happen; we will try, and hope for the best.

What about the Minister of Justice (Mr. Garson)? I have gone through the minister's speech. I will not pretend I read every word because it was a long speech, but I have not been able to find in there any serious argument in favour of this bill as an anti-inflation measure. I hesitate to say there is no reference to it, but I have found practically nothing. Certainly, there is no serious attempt to make the suggestion that this is going to affect the cost of living, which is what it was set up for. There will of course be every effort to try to put that across to the people.

Now, what about the merits of this thing? We have to get away from the inflation side and we have to regard it purely on its merits as a reform which is to be brought into the conduct of business. We are in a rather unusual position here. I hope I shall not be saying anything improper because the Prime Minister after all has spoken on this. I hope I will not be saying anything improper if I say that I think that much the most effective speeches made outside the ranks of this party in opposing this measure were made by the hon. member for St. James and the hon. member for Comox-Alberni (Mr. Gibson). Now, I would be ready to take a chance if, for example, this matter had to be referred let us say to the supreme court—I would be almost prepared to take a chance on letting it go on the speeches pro and con made within the four corners of the Liberal party. When I say "the four corners of the Liberal party" I am including the hon. member for Comox-Alberni within them for the moment. Perhaps I do him an injustice, but at any rate I think I have made my point clear.

I come to the Prime Minister because he used one or two phrases this morning that astonished me. They would have astonished me in any event, but they astonished me as coming from a great lawyer accustomed to weighing his words and accustomed to the accurate use of language. He said something like this. He referred to "recognized practices which should be under restraint". I think these were the words: "recognized practices which should be under restraint." I ask, what evidence is there of that? Let us look at the people who have taken a part in this. First of all I want to look at what one might call the principle of the thing, and I am going to read again briefly from what was said by Mr. Justice Brandeis, because he was a great judge, who looked at this thing from the point of view not only of common sense but of law.

As I hear some of the things that are said I wonder whether the people are bearing in mind, when they use these critical words, that they are speaking about practices which have been legal and valid and regarded as not only legal but morally right. I wonder whether they are bearing in mind that they are speaking of practices which have the sanction of law, the specific sanction of statute law, in 45 out of the 48 states. I wonder whether they are bearing in mind that there is a report, and a very able report, from Britain, a report of the committee on resale price maintenance. Again, without reading at length from it I do want to read one or two things, because I say you would have thought that the consumer was the subject of a virtual conspiracy; that he was being rooked right and left; that this was clear and recognized, and that the only thing that remained to be done was to right a great wrong. Let me read briefly, Mr. Speaker, from this report composed by able men after long investigation. I shall read from page 4. They say:

> The representatives—

I read this particularly because no one who is entitled to be out of an asylum would hesitate for one minute to vote for this if he believed it was going to have a major effect on the cost of living, if he believed it was going to right wrongs which are clearly evident. Therefore it is wise to remind ourselves that it is not merely the retailers, not merely the people who are making their living by selling, who are interested in this thing. The consumers have spoken out in no uncertain way. Let me read this from page 4, section 19:

> The representatives of the various women's organizations who gave evidence before us were without exception strongly in favour of branding.

"Without exception". Does that sound as if the consumers were having a gigantic fraud or a gigantic piracy practised against them? Then I go on:

> They found it convenient when shopping not to have to examine everything they bought in order to assess its quality; they had found that the containers in which branded goods are normally sold helped to keep the article in a satisfactory condition.

I could read at length from this report showing similar opinions. As I said the other day, even Mr. Henry Smith, who puts in a

strong reservation, nevertheless goes along with this report which says:

> We recommend that no action should be taken which would deprive an individual producer of the power to prescribe and enforce resale prices for goods bearing his brand.

I wish to read briefly, as I said a moment ago, from page 2199 of *Hansard*, where I quoted Brandeis in the book called "The Brandeis Guide to the Modern World". At page 213 of that book he says:

> I think it is important that we should develop the right of producers of trademarked articles, growers as well as manufacturers, to establish by contract the price at which their products shall be sold.

And then on the same page:

> The right to fix the retail selling price is not an injury but an aid to business, so far as the particular branch of business is competitive. The cry against retail price fixing is based uopn a misconception.

There is a statement of one of the ablest and most broad-minded leaders of American legal and social thought in the last quarter century. No one will deny that.

I now come to the railwaymen. I was amazed that this morning the Prime Minister (Mr. St. Laurent) appeared to include the Trades and Labour Congress as in favour of this measure. I wish therefore to read from the evidence of Mr. Bengough who, I presume, speaks for the Trades and Labour Congress, and who was anything but sold on this. Mr. Bengough is a man who looks at things in a judgmatical way, and who tries to arrive at a conclusion after, not before, he knows the facts. That is what we are being asked to do today, and I think it is desirable that we should remember that. We are being asked to create a new crime without having evidence, to create a set of potential criminals without having evidence.

Here is what Mr. Wismer said, in reply to questioning by the hon. member for Eglinton (Mr. Fleming):

> Q. May I ask Mr. Wismer if he feels that this so-called practice of price maintenance is a detriment to or perhaps in harmony with public interest?
>
> A. I think we can say this, in so far as the deal is made privately and enforced privately we would have to say No, but where it is a general practice I think we would have to have a lot more information.

Well, does this support this legislation? Does that sound as if the Trades and Labour Congress were supporting this legislation? They have the sense to stop, look and listen. They have the sense to say, "Let us have the facts from sound, hard-headed businessmen." Labour men approach this matter in what I think is the proper manner, whereas some skilled legislators do not.

Then I should like to read from the questioning of Mr. Bengough by the hon. member for Eglinton, as follows:

> You will recall it purports to propose blanket prohibition on resale prices. Would you think that is a proper and desirable way of going about this matter, that we have blanket prohibition, or if we are going to have legislation on it should it be left to determine whether in the particular case the particular type of agreement is in the given circumstances harmful to the public interest or not?

Mr. Bengough answered, first of all, "It would have to be flexible." Then the hon. member for Eglinton said, "You wouldn't favour a general prohibition," and Mr. Bengough's answer was "No".

So much for Mr. Bengough. Let us see what the hon. member for St. James (Mr. Beaudry) says. The hon. member made a fairly stiff attack on the government. He has something to say too. I must say the hon. member is an interesting study. He made an able speech. One might say that he has a good drive but very little follow through. He announced that he was going to vote with his party, although he was not in favour of the legislation. Well, I suppose one must admire the iron-clad discipline, the Prussian discipline, this indicates. I suppose it has its advantages. But it would be such a relief, such excitement, if one of the hon. members on the other side of the house would not only express his views but act upon them. However, I am not the keeper of the conscience of the hon. member for St. James, and perhaps he would not want me to be.

Mr. Fournier (Maisonneuve-Rosemont): You can be sure of that.

Mr. Macdonnell (Greenwood): You speak as an expert, I am sure. At any rate, let me speak for myself. I will not undertake to be the keeper of his conscience.

He has a feeling for the businessmen, because his constituency is full of them. He says:

> Those of our colleagues, trades-people, merchants, druggists, whom we had at first accepted as sound people and men well regarded in their communities since they seem to command the respect of the majority, which as the minister himself pointed out yesterday still rules—these colleagues, sir, upon my return regained some of their temporarily lost stature.

The hon. member spoke in a slightly allegorical vein. Nevertheless he makes clear his conviction that he does not think much of the idea. Then he goes on to say:

> Clad as they had been in the land of make-believe in what to the fastidious were the somewhat repulsive and repellent tatters of Simon Legree and his French counterpart, Harpagon . . .

And then he goes on to say:

> May I tell you, sir, that it was most gratifying upon my return to solid ground to be able to con-

clude that they were more than fully entitled to the original respect and tribute which has been paid each of them in his community.

As I said a moment ago, and I now repeat, in this legislation there is a proposal to create new crimes. As I indicated, no less a person than Senator Lambert said that this conclusion was reached without evidence. I wish to add a word to stress what I said a moment ago about the fact that this practice of branded goods has been accepted by enabling legislation in forty-five out of the forty-eight states. The hon. member for Broadview (Mr. Hees) pointed that out most effectively the other day. There seemed to be the suggestion that the law which prevails in forty-five of the forty-eight states had been imposed upon the people while they were not looking, that it was not democratic and that, somehow or another, it was not what they wanted.

Indeed, the hon. member for Rosetown-Biggar made some rather satirical references to the way in which American legislatures and governors are sometimes elected. However that may be, if the fact was that perhaps three out of the forty-eight states had passed this legislation that argument might have some weight. But when forty-five out of the forty-eight states have passed this legislation, when it is practically unanimous, it is pretty hard to believe that in a considerable number of those forty-five states these fair trade laws do not represent what the people want, what they approve of and what they have found to be to their advantage.

As I said a moment ago, I think there is only one thing which could have justified dragging us back here and passing this legislation under the myth or the plea that it is a matter of urgency; that is evidence which would indicate, I say "evidence" advisedly, that it was going to perform—I will not say miracles because, heaven knows, the Prime Minister (Mr. St. Laurent) did not suggest miracles—but that it was going to be effective.

Anyone who will read this mass of evidence must agree that not only is there no adequate evidence to support the view on which this bill is based, but that actually the balance of evidence which was allowed to come before the committee indicated quite the contrary, that the passing of the legislation would in all probability cause injury. I am not going to use alarmist figures about thousands and tens of thousands of retailers being destroyed, because I do not think it is necessary to do that in order to maintain the argument; but no serious person in this house can doubt that there are tens of thousands of these people who feel that they are going to be injured. Anyone looking at the situation and reading such evidence as has been given knows that there will be a set-up for price-cutting. Whether it is fair to say that the government wants to precipitate that, I do not know.

No one doubts that a day is coming when prices will tend to go downward. One of the things I object to most strongly is something which has been said before in this house. I indicated the other day that no less a person than the Minister of Justice (Mr. Garson) seemed to picture the manufacturers as sitting in their ivory towers setting prices which the consumer had to accept. It is not merely a classroom statement, it is not merely a statement by economists, to say that in a very real sense it is the consumer who fixes the price. Anyone who knows business knows that manufacturers do not fix prices and then go off and forget about them for months. They are studying the market from day to day. They know that if the price is at level A they will sell so much. They know that if they can bring it down a little they will sell more. Of course it is in their interest, it is only common sense to be constantly trying to find a price at which they can sell the most. Is not that in the interests of the consumer? They would not live if they were not trying to serve the interests of the consumer. I am not suggesting that they do that in a sentimental or altruistic frame of mind; it is simply hard-headed common-sense business.

We are all consumers. We are all interested in prices. I do not suppose anyone imagines that when you cross this gangway the interest of the consumer is any less on this side than it is on the other. All we are asking is that we proceed with this thing in an orderly manner. We know from our own experience that it is not just a lot of theory when you talk about ruthless and destructive competition. It is within the memory of many people when the Standard Oil Company was considered to be a monopoly which had knocked out many smaller people. As a matter of fact, going back to the fears of the hon. member for Spadina (Mr. Croll), despite all his great threats, despite all his assurances that we on this side of the house were unfortunate in not being able to keep in touch with public opinion, he did seem to be a little worried because he knew how things were going. He knew there will be this loss-leader business, that there will be attempts made by the huge distributors to impose their own brands. It will not be only the small business people

who will suffer; it will be people of considerable size as well as what is ordinarily called the little people.

I shall pause here to sum up what I have said. We are asked to pass this legislation, I was going to say under pressure but the sense of applying pressure does not seem to be so strong today. It is true the hon. member for Spadina has used some rough words which the Minister of Public Works (Mr. Fournier) would never use, but on the other hand the Prime Minister was much softer this morning and it may be that we are not going to have closure applied.

I want to say what I said in the beginning, that I believe we in the opposition have a duty to perform. I am sure there have been many cases where oppositions have held out and the public has had time to learn. The hon. member for Spadina is ready to certify to us that the public is learning and that that is going to be injurious to us. We will have to take that chance. So far as the opposition is concerned we have a duty to perform, and I hope we will not be terrified by the hon. member for Spadina or by any other person, more or less formidable.

I should just like to repeat what I said before, that no real evidence has been given to us of any reason why this matter cannot be left over and the evidence obtained which Senator Lambert said had been denied, and which no single man would say was not necessary before legislation of this kind could be passed. There has not been a scintilla of a reason given as to why that cannot happen.

Secondly, there is no evidence, and I mean no evidence on balance, that this law will bring down prices. The balance of evidence is that it will tend to raise prices. To ask us to agree that this measure shall be passed when there are so many reasons against it, and when none as yet has been given for it that can bear the slightest examination, is something that should not be done. I consider that we are merely doing our plain duty in asking delay in this legislation. Important as it may be, it is not of such importance that it should be hurried through. No one can suggest that anyone is going to be injured if it is left for two, three or four weeks until we meet again. On the other hand there is every reason to believe that if it is hurried through it will injure large numbers of our fellow citizens who have never had a proper chance to state their case before the committee.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, it was not my privilege to be here last week, by reason of a prior engagement which made it necessary for me to be absent. However, I had made myself clear with

[Mr. Macdonnell (Greenwood).]

reference to this legislation when speaking in the debate on the address in reply to the speech from the throne. At that time I took a stand in opposition to it, and that stand has not been altered as a result of the evidence taken before the committee or by anything that has been said in this house, all of which I have read.

The reason I took the stand I did was that, in my opinion, this measure in its present form could not but be injurious to the consumer, although possibly of temporary benefit for a matter of a month or two until such time as small business found itself under the domination of big competing business. This legislation contains no defence against loss leaders, and it should. I think the stand taken by the opposition will end once and for all in this country the iniquitous practice of the government putting off contentious business to the end of the session so that, with the desire of hon. members to conclude the session, legislation however harmful can be forced through. We had an example of that last year in the dairy products act which was passed in the dying days of the session. It was condemned by every outstanding farm magazine in Canada as a dangerous piece of legislation, and the opposition received condemnation for not giving it the meticulous examination that all legislation should receive.

I was very interested to hear the Prime Minister (Mr. St. Laurent) today. Gone was the attitude of a few days ago, an attitude quite out of keeping with what one might have expected from the Prime Minister. At that time he threatened. Parliament consists of more than the government, even though at the moment it has allies in other parts of the house. Members of the House of Commons have a responsibility. The Prime Minister, without any justification whatsoever, made the threat that closure would be applied.

Mr. Fulford: He was dared to do it by the hon. member for Eglinton (Mr. Fleming).

Mr. Diefenbaker: My hon. friend by that interruption indicates how easy it is to provoke the Prime Minister, if one member can arouse him to the point where he would deny free speech in parliament. I do not want to say any more about that, but one should never allow himself to become annoyed and in a moment of pique and annoyance make threats which strategic retreats afterward can never cover up. These are the words he used in the debate on December 20.

Mr. Deputy Speaker: Order. May I say to the hon. member it has already been decided that discussion of the matter of closure is out of order.

Mr. Diefenbaker: To discuss the question of a decision made by the government is out of order in the debate? Surely, with the greatest deference, Mr. Speaker, you are not ruling that not only are we to be threatened with being shut up but we are also to be shut up now by the Speaker so far as referring to such a matter is concerned.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. I did not make the decision. It was made by the Speaker.

Mr. Gardiner: Closure is a Tory measure anyway.

Mr. Hellyer: One should never allow himself to be frustrated.

Mr. Diefenbaker: I wish my hon. friend would make his contribution in this debate and voice the views of the people of his constituency rather than interrupt. I was referring to what the Prime Minister said, and I certainly know of no ruling that one could not refer to the closure that was threatened the other day. The Prime Minister said, "I do not intend"—

Mr. Deputy Speaker: Order. The decision was it could not be discussed on the amendment.

Mr. Fraser: This is not the amendment.

An hon. Member: Sure it is.

Mr. Drew: May I ask for the reference to any ruling of that nature?

Mr. Ross (Souris): Where was the ruling?

Mr. Diefenbaker: Does Your Honour rule—

Mr. Deputy Speaker: The ruling was made by the Speaker himself. I will consult *Hansard* on the point.

Mr. Diefenbaker: I will not say more if you so rule, but I must say I would have to appeal against a ruling that I cannot discuss in the House of Commons the actions of the Prime Minister who tries to muzzle the opposition by a threat, even if it does not succeed.

Mr. Fournier (Maisonneuve-Rosemont): If he had tried it would have been done, you know.

Mr. Deputy Speaker: It would be in order on the motion for closure, but there is no motion for closure before the house.

Mr. Diefenbaker: Mr. Speaker, I bow to your ruling. I want to say to my hon. friend who interrupted me a moment ago and said that if they had wanted to do it, it would have been done—

Mr. Langlois (Gaspe): The Tories did it three times.

Mr. Diefenbaker: —that such a remark is not in keeping with my hon. friend's usual debonair attitude in parliament.

Mr. Gardiner: The only reason it could be done is because the Conservatives put it on the statute books.

Mr. Diefenbaker: Does Your Honour rule I cannot discuss the words of the Prime Minister in the house on December 20 as found at page 2254 of *Hansard*?

Mr. Hodgson: It was referred to again this morning.

Mr. Diefenbaker: The Prime Minister of course made reference to it this morning. If Your Honour so rules, ordinarily I would feel like appealing—

Mr. Coldwell: May I rise and say I have always understood that what is said in a debate may be commented upon by a subsequent speaker. I think a ruling to any other effect would be wrong and would certainly create a precedent which I think would be equally wrong. That is my understanding of the manner in which debate is carried on.

Mr. Deputy Speaker: I was not in the house this morning. If reference was made to it by the Prime Minister the hon. member may answer.

Mr. Diefenbaker: We have been at cross purposes, Mr. Speaker. Before the Prime Minister came in just now, I was mentioning that on Thursday, December 20, he made a very definite statement, and I should like to refer to it because after all the debate had gone on then for a matter of only two or three days. The Prime Minister used these words which were definite, left no qualification and were subject to no possible misinterpretation. He said:

> I do not intend to debate this motion—

He was referring to the motion of the hon. member for Winnipeg North Centre (Mr. Knowles).

> —but I do intend when the house is in session tomorrow, if the business has not been concluded, to give notice under the closure rule that it will be applied on Thursday, December 27. As to this motion, I have no views about it. It is a matter which the house should decide on a free vote according to the views of each individual member.

That was a threat.

Mr. St. Laurent: If my hon. friend will permit me, I do not think he was in the house

last Thursday. My remarks followed a remark by the hon. member for Eglinton (Mr. Fleming) that the motion which had been submitted not to adjourn at ten o'clock constituted an indirect closure, and that if there had to be closure the government should take the responsibility for sponsoring it. I was saying that I was not expressing any views on that motion but that if debate continued on Thursday and Friday in the terms in which it had been carried on up to that time, I would consider giving notice that closure would be imposed. Next morning the atmosphere had somewhat cleared. I said then that there had not been an opportunity for debate on this measure on Thursday and I would not, therefore, do as I had intimated the day before and give notice on Friday for closure today. It was not intended as a threat. It was intended as a response to the challenge—I believe the word "challenge" was used by the member for Eglinton (Mr. Fleming)—that if there was to be closure it should not be by any indirect method but by the method provided for in the rules.

Mr. Diefenbaker: That adds confusion to the confusion already existing. I read the Prime Minister's words, and I know that he may have been piqued—

Mr. Gardiner: On a point of order, the hon. member would be quoting from a previous debate which was already decided. He is not quoting from this debate at all.

Mr. Deputy Speaker: That debate was on the motion for adjournment, and not on the present measure.

Mr. St. Laurent: If you will allow me, I think it is probably of advantage to everyone that this point be cleared up, and that the events as they occurred be correctly stated. Had the hon. member been here he would appreciate what the atmosphere was at that time and the difference in the atmosphere the next morning, as well as what I hope is the difference in the atmosphere today.

Mr. Diefenbaker: I welcome the opportunity of having the matter cleared up. But I would say that playing fast and loose with the rights of the opposition should not depend upon the atmosphere of the house. That is a very dangerous method of determining what should be done. What the Prime Minister said is as definite as can be. It is a dangerous thing to apply closure. The threat of closure—and that was the threat—would deny discussion by the opposition, particularly after the legislation was brought forward in the dying days of the session, apparently in an endeavour to push it through before the Christmas recess. I hope that out of what has taken place in recent days will come an end to the practice of legislation important to the welfare of millions of consumers in the country being introduced in the last days of the session, apparently in a desire to force it through regardless of any representations that might be made against it if time and opportunity were given.

I was not a member of the committee, but I have had representations made as to unfairness shown to various organizations in this country. I refer to the retail merchants of Saskatchewan, the largest organization of retail merchants in the Dominion of Canada, and allied with no other organization. The 2,400 members of this organization sent in a brief and requested the privilege of explaining it before the committee. The chairman denied them that opportunity upon the excuse that another organization had spoken for them. I find strong opposition to the manner in which the committee was conducted. Apparently it was conducted upon the basis that only the evidence of those who might be considered favourable toward the legislation would be heard, and those who would present any evidence to the contrary were denied the full opportunity of doing so.

I listened with a great deal of interest today to the words of the hon. member for Spadina (Mr. Croll). The hon. member, who has a knowledge of business and a full realization of the dangers of this legislation, asked the committee to accept an amendment that would put a stop to loss leaders. He pointed out from the experience of the past the danger of loss leaders. To begin with they may be beneficial to the consumer, but later become detrimental to the consumer as well as the small businessman. The amendment moved by the hon. member for Spadina was turned down. Had it been accepted it would have gone a long way toward removing many of the objections taken to this legislation. Today the hon. member expressed the hope that if things turn out badly under this legislation, at the next session the government will take action. Was there any reason for the rush, the unseemly haste in connection with this legislation? If the conditions referred to by the Minister of Justice (Mr. Garson) are in fact true, why has this government waited for sixteen years to remedy them? If conditions are as described by my hon. friends opposite, why the unseemly haste in endeavouring to cram this legislation through in the last days of the session? No one has explained that as yet.

I took the trouble to read the judgments of the United States supreme court on the subject, and in particular the judgments of one of the most anti-trust jurists the United States ever produced, one of the great philosophers on the United States supreme court, the late Mr. Justice Brandeis. He referred to this practice in these words:

The Sherman law—

That is the law against trusts.

—seeks to protect men in the right freely to compete and to prevent practices which must result in suppressing competition. It seeks to preserve to the individual both the opportunity and the incentive to create. It seeks to encourage the individual effort. The right of an individual manufacturer in a competitive business to market his goods in his own way, by fixing, if he desires, the selling price to the consumer—is in entire harmony with the underlying principle of the Sherman law.

Then Mr. Justice Brandeis said this in another judgment:

Americans should be under no illusions as to the values or effect of price cutting. It has been the most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted most frequently. It is so simple, so effective. Farseeing organized capital secures by this means the co-operation of the shortsighted unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling immediate gain, and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly.

Over and over again, Mr. Justice Brandeis dealt with that phase, the need to protect the consumer against the rapacity of these great businesses that, in their desire to destroy competition, resort to price cutting through loss leaders. Having resorted to price cutting and thereby eliminated competition, they then restore the prices—

Mr. Coldwell: Will the hon. member permit a question?

Mr. Diefenbaker: Yes.

Mr. Coldwell: Could he give us the dates of those judgments?

Mr. Diefenbaker: 1926.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: My hon. friends will find that judgment quoted with approval in 1949 and 1950. When the matter of fair trade practices came before the United States supreme court in 1951 the principles in that judgment were accepted by that court as the epitome of good business practice to preserve private enterprise while assuring protection of the consumer. Price cutting by loss leaders shamelessly hoodwinks the consumer. Price jugglers, to use the expression of my hon. friend, the hon. member for Spadina (Mr. Croll), utilize this means to destroy competition. Then prices will go down, somebody will say: Is there not an immediate advantage? There is. The consumer sees the price come down on that particular commodity, but there is one thing he does not realize, and that is that when the price goes down and a loss is sustained by big business, when the competitors are wiped out or competition is reduced, the price goes up in order to make up for the loss sustained through the loss leader.

My hon. friend made that fact very clear this afternoon, and I thought he made an admirable speech until, realizing how emasculated this legislation will be without something to control loss leaders, he made an appeal to business or rather that segment of it that is unfair and dishonest, that seems to regard excessive profits as just and fair. Then in effect, he said: I call upon you, I ask you, I implore you, do not take advantage; because if you do the Minister of Justice will call on parliament to punish you, and punishment will come some time. Mr. Speaker, if punishment comes at that time in the future that it came to the great milling companies in this country, those rapacious, predatory interests to which the hon. member for Spadina referred may sleep without fear. This legislation may cut prices on individual commodities—and no one will argue that—for a short time. But nowhere has evidence ever been given—and I read the evidence given in the United States and in Great Britain—that when loss leaders are used, it is not the consumer who ultimately pays. The loss leader has achieved the purpose for which it is intended when it attracts the consumer into the business and, being brought in, the dishonest business can take from him prices unjust and unfair in other commodities.

I took the trouble to ascertain whether or not there had been a jump in the prices of fair-traded drug products in the United States. We have no statistics in Canada. Nothing but surmise, suspicion, and sometimes sentiment appears in the evidence given in this regard in the committee. The United States bureau of labour statistics has found that the prices of products in the United States jumped, from the year 1939, an average of 87 per cent; that is, the commodities sold in those businesses that deal in part in commodities the prices of which are controlled, while prices on fair-traded drug products rose only by 10·5 per cent during the same period. There is no evidence to the contrary in this country. The committee sat; it heard evidence. But when there was evidence to be heard such as that which the retail merchants of Saskatchewan, 2,400 strong, wanted to place before that committee by word of mouth in addition to the written brief, they were denied the opportunity to present it. The hon. member for

Spadina stated that the cost of living had gone up during the last available month by ·8 per cent. The cost of living index of our country has been challenged as not properly setting forth the actual cost of living because it does not include the impact of taxation, a most important matter in determining the cost of living. Yet, without taking taxes into consideration, that increase of ·8 per cent meant a loss of $48 million a year in real earnings to the wage and salary workers of Canada during that month. What the opposition has been trying to do in this debate has been to take a stand on behalf of the consumers of Canada in the long run rather than to have in mind the advantage to the government in the short run. Law is just as strong as the degree to which it is enforced. When I read these speeches by the Minister of Justice in which, as a St. George, he goes forth to slay the dragon of unjust monopoly, I feel that the dragon of big business is in the same danger as was the dragon in the past. Danger? What about the combines reports of 1946?

An hon. Member: They are hidden.

Mr. Diefenbaker: Mr. McGregor made the reports. What about the international combines in glass, tools, electrical elements and radio tubes? Have there been any prosecutions? Until 1948 there could not be any prosecutions without the consent of the Attorney General of Canada or of the attorneys general of the provinces. In 1948 I moved an amendment that permitted any individual to take prosecutions. Radios brought into Canada, according to one of the reports, were written up 113 per cent by agreement. The hon. member for Spadina mentioned the prosecutions of the glass combine; and I am glad to have his support for a proposition I advanced some weeks ago, to the effect that the maximum penalty of $25,000 is as nothing compared with the amount that can be secured illicitly by breaking the law. The hon. member made a statement today that will challenge the ingenuity of the Minister of Justice, when he pointed out that two combines that had been fined immediately thereafter raised their prices uniformly, the significance of his statement being that the fine would ultimately be paid by the people of Canada. What a record is the annual report of 1950-51! I would commend this report to you, Mr. Speaker. It is dated July 30, 1951. As the custodian of justice the minister has the power to set the judicial machinery in motion and proceed against illegal combines. Did he himself do so during the year? The answer is given on pages 2 and 3 of this report:

> No investigations were commenced as a result of ministerial direction or formal application during the past year.

[Mr. Diefenbaker.]

Here is the record:

> Number of directions from the minister for inquiries—0.

Yet they tell us now, Mr. Speaker, that under price maintenance the people are being and have been gouged. The government contends that there is no need of any further legislation to meet the problem of loss leaders; the hon. member for Kamloops (Mr. Fulton) pointed out what had been said by the late Colonel Ralston and the present Chief Justice Ilsley regarding the section of the Criminal Code that is stated to be sufficient for that purpose. If the law is there and injustice has been done, as my hon. friends on the side of the government would have us believe, why have there been no prosecutions since 1936 under the section that they contend will preserve and protect the Canadian people against loss leader practices?

The report continues: "How many formal applications were there for inquiries? None." The number of formal investigations in process at the end of the year 1950-51 was three and not one was started between January 1, 1950 and March 31, 1951, while the present minister has been in charge of the machinery. Those three had been commenced before he became minister.

Mr. Rowe: No wonder there is a Christmas rush.

Mr. Diefenbaker: They talk of enforcing the law. Is the enforcement going to be increased? Is the will to enforce the law going to be stronger? I must be fair, though. The report continues:

> Number of informal complaints or inquiries of the nature of complaints received and examined, 70.

When my hon. friend the Minister of Justice (Mr. Garson) spoke on the radio in stentorian tones he pointed out how the department had proceeded to investigate seventy of them. Let us see how they did it. I turn to page 2 of the report which deals with informal complaints, and I read:

> A considerable number of informal complaints and inquiries were received in the course of the fiscal year 1950-51 as in other fiscal years. Some of these complaints were based upon misapprehension as to the provisions of the act,—

They do not tell how many were under a misapprehension. I continue:

> —as for example the complaint of the type that a certain manufacturer, not occupying a monopoly position, was, as a matter of independent and individual policy, confining his distribution to a number of selected outlets in each district and, incidentally to such policy, refusing to extend wholesalers' prices to the complainant. A complaint of this nature is ordinarily disposed of by an exchange of letters with the complainant.

Letters exchanged with the complainant are no great deterrent to the commission of wrongdoing, Mr. Speaker. I continue to read from the report.

Another class of complaint alleges a situation to which, if it existed, the act would apply, but fails to disclose sufficient facts to raise even a reasonable suspicion.

These are those included in the seventy cases that were investigated. I continue:

Other complaints are sufficiently precise to put the commission upon inquiry, in which case the matter is carried to a stage where it is apparent that further inquiry is unwarranted, whereupon it is discontinued, or else it develops into a formal investigation.

There were no formal investigations in the fifteen months between January 1, 1950 and March 31, 1951, under the present Minister of Justice. Now, sir, if the wrongs that we hear of in price fixing have been so continuous and continuing and are the result of monopoly agreement and arrangements, why is it that during a period of fifteen months, while the cost of living continued to rise, the Minister of Justice and the government of this country never proceeded with one new investigation?

The hon. member for Coast-Capilano (Mr. Sinclair) said that I referred to Mr. McGregor as the man who could give evidence; and I did. I suggested that Mr. McGregor be brought before the committee in order to advise what general changes should take place, and what alterations should be made in the combines act. I asked that the act be revamped; for certainly as it now stands it offers no protection against those who would take advantage of the public. A fine of $10,000 or $25,000 is a drop in the bucket compared with the millions that may be made, and apparently have been made, by certain combines according to the combines reports. I asked that the act be revamped; I asked that Mr. McGregor be brought before the committee for the purpose of explaining why the act had not been enforced, and also for the purpose of replying to a statement of my hon. friend the Minister of Justice who, when speaking in Vancouver regarding Mr. McGregor, said in effect that he did not understand some things connected with the flour milling industry. If he had understood these things he would not have reported as he did, and would not have resigned.

Did Mr. McGregor get an opportunity before the committee to make recommendations regarding a complete revamping of the act? Did Mr. McGregor have an opportunity to tell his story as to why he had to resign, because he received no support whatsoever from the government in the enforcement of the law against the flour milling industry? No; Mr. McGregor was brought in for one purpose, to deal with retail price maintenance. He had to admit that unless something was done to meet the question of loss leaders the legislation being introduced would be almost ineffectual, or certainly far from as effectual as it should be. Therefore I asked myself, why is it that this government does not bring in legislation to stop loss leader practices that have been proven so dangerous? Why is small business in this country to be placed in a position of jeopardy? Why is the consumer going to be placed in a position where, while enjoying a temporary advantage in prices, once competition has been removed he will ultimately be required to pay more for other products as well as the product upon which the cut is taking place? Again I make this suggestion, that we in this house redraft the combines act and make it an instrument to preserve the consumer from exploitation, while assuring to business a fair and reasonable profit. The profit line has become the danger line, the strife line. It is time some people in our country realize that unless there is a profit in business there cannot be wages for labour, nor fair prices to the primary producer. Fair and reasonable prices which ensure a fair and proper return in profits and permit an available reserve being plowed back into business in order to assure further jobs are the foundation of economic prosperity.

To sum up, in my opinion the effect of this legislation will be: First, in our desire to protect consumers we will in fact ultimately be harming them unless legislation is brought in to meet the loss-leader problem. Second, I think of many products that are the same price in Ottawa as in Saskatoon and Vancouver. That will end, under this legislation. We on the prairies and the people in the maritime provinces, who now have the advantage of having the same prices on these commodities as do the people in Ontario and Quebec, will find ourselves penalized by the discriminatory freight rates which will have to be added to the price of each commodity. And instead of the removal of price fixing on many products being advantageous to the consumer it will mean that those of us in distant parts of Canada will have to make up an amount that up to now has been included in a fixed price made applicable everywhere in our country.

This legislation as it now stands cannot carry out the will of parliament, if that be to assure a reduction in the cost of living. When I see the government playing around with a matter such as this, with prices going up at all times, I ask myself this question: Why is it that something is not being done; why is it that something was not done at this session to remove the sales tax on necessities?

The consumers league, represented by Mrs. Walton, the president of that league, are quoted with respect at all times. It presented a brief to the government last fall in which it asked for the removal of the sales tax on necessities, and named those necessities. Why was something like that not done?

Mr. Deputy Speaker: Order. The hon. member has exhausted his time.

Mr. Diefenbaker: All right.

Some hon. Members: Go on.

Mr. Diefenbaker: No, I shall not do that. I shall have an opportunity to conclude in another debate. I thank the house, however, for giving me that consideration.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I think we can all agree that the debate has taken a very great turn for the better today, and that to no member who has taken part in it are we more indebted for this fact than the hon. member for Lake Centre (Mr. Diefenbaker), who has just taken his seat.

After having spoken at such great length concerning this matter I thought perhaps, out of some consideration for my fellow members, I should not take any further part in the debate. However, the hon. member has raised certain points which I think require a reply, which I shall now endeavour to give.

The hon. member is always particularly effective when speaking before an audience which is not too well informed about the subject matter of his remarks. I wonder sometimes if he does not somewhat underestimate the intelligence of members in this chamber, because some of the remarks he made today are of the type one would expect to hear from him, and in a most effective manner, on the hustings where there is less likelihood of his hearers being able to check on his statements of fact and of law.

My hon. friend has undertaken to criticize the administration of the Combines Investigation Act, and this is not the first occasion upon which he has done so. I can remember that in one of the early speeches I had the honour to deliver in the House of Commons, at a time when certainly I did not have any great amount of responsibility for the administration of the Combines Investigation Act—as I was a new minister who had just come in—I undertook to defend the administration of that act over the years against the spirited attack which had been made against it by the hon. member for Lake Centre.

A man who is in public life and who administers legislation of this kind can pretty well reconcile himself from the start to having some rather strong criticism made against him; some warranted, perhaps, but much of which I suggest is not warranted. But the civil servants who administer this act and who under legislation of this kind have very great powers—powers equalling those of the minister himself—are not able to defend themselves in the house. Therefore I think I ought to say a word or two concerning the administration of the Combines Investigation Act generally; that is to say, not only at the present time, but in the era when Mr. McGregor was in charge of the work, from the time it was first created by the Liberal party in the middle twenties.

In doing this I do not want to repeat what I said on a previous occasion. I do not wish to go one by one through the cases the combines investigation administration has prosecuted and refute case by case the libels, if that is not an improper word, made upon the effectiveness of the administration by the hon. member for Lake Centre. Because if I were to do that I would be merely repeating a speech I made in the house in the fall of 1949, I believe it was, and there would be no purpose in my indulging in that repetition.

But I think perhaps I can go to a more impartial source for a very objective appraisal of the Canadian combines investigation administration, a source which I am sure the hon. member for Lake Centre would be, or should be, the last to question. It is a source which would compare not unfavourably with himself in political partisanship because, like himself, this gentleman was a leading member of the Conservative party, not in this country but in the United Kingdom where perhaps, as this debate would indicate, they were a little less partisan and a little more objective in their approach to this question than we are accustomed to find them here. This is what the hon. gentleman, Mr. Leathers, said in a debate in the British House of Commons; and by the way he is one of the leading lights of the Conservative party over there and, incidentally, is Canadian by birth.

My right hon. and learned friend the member for Liverpool, West Derby (Sir D. Maxwell Fyfe)—

He has been described as one of the brightest minds in the Conservative party in that country.

—wrote an excellent book on this subject about two years ago.

The subject was that of monopolies, generally.

One thing he said which struck me as eminent good sense, as is everything which the right hon. and learned gentleman says, was: "Other British dominions have passed laws against trade restraints though none are as complete or effective as the Canadian law."

And Mr. Leather's remarks continue:

I am sorry to see that my cousins in the states are being held up as paragons all the time. The Combines Investigation Act in Canada has worked extremely well. I know that my legal friends can ridicule prosecutions under the anti-trust acts of the U.S.A., and that it is easy to get up and point out anomalies and loopholes, but I do not think that is relevant. It is easy to attack monopolies in general, but it is even worse to defend them in particular. That is precisely what has been happening for many years.

And listen to this description by a Conservative in the British parliament of an attitude in this matter which has not been entirely absent from this debate.

Everybody says "It is a very bad thing, but when you come to my industry that is different."

I do not believe that it is different . . . Reference to this has been made in Lewis Ord's book "Politics and Poverty" and I will give an extract from it. He gives statistics which I think are of great interest. He points out that in 1815, which is a good starting date as being the end of the Napoleonic wars and when the industrial revolution was getting underway, that the real wage standard of living on both sides of the Atlantic was precisely equal. By 1890 it was still precisely equal, but we had progressed on both sides by 300 per cent. When we look at the graph from 1890 onwards, the thing goes wrong. In 1914, the North American real wage standard had increased to 600 per cent and ours to only 400 per cent. By 1939, it had increased to 1,200 per cent and ours was only 800 per cent. Ever since they have continued to advance at ever-increasing rates. If we look at the graph as it is at present we see that the American real wage standard is nearly double ours. The critical date on the graph is 1890.

And again:

What happened is perfectly simple. In the 1890's Canada and the U.S.A. made their first halting steps towards making competition the law of the land. It was precisely at the same time that the managements, trade unions and politicians in this country started to preach collectivism and started to get together to curtail competition. I suggest that the two things are clearly relevant and must have some close connection. Therefore, when we are considering on both sides of industry productivity and real wage standards of living, I suggest that it is relevant to consider restrictive outlooks and collective outlooks in industry as part of that picture . . . We do not need any more experience to enable us to prove precisely what trade practices restrict output and keep up prices. Everybody knows what they are.

Mr. Diefenbaker: What date was that?

Mr. Garson: June, 1951.

Mr. Diefenbaker: What page?

Mr. Garson: Column 2735 and previous. I suggest that the fundamental, basic issue is whether any nation which professes to believe in free enterprise is going to continue under competitive enterprise or whether we are going to struggle along under restrictive practices, either private, which are more objectionable or—I am sure our friends of the C.C.F. party will forgive us—public, which we might regard as being somewhat less objectionable.

My hon. friend says that price cutting will follow from the absence of resale price maintenance. I think he put forward the suggestion that if this legislation goes through, or to be more realistic, I should say when it goes through, there would be the frightening prospect for the independent retailer that the predatory price-cutting big interests will drive all the little fellows in the retail trade out of business.

Mr. Diefenbaker: I did not say all.

Mr. Garson: A substantial number, because if the number was not substantial there would be no substance to my hon. friend's argument.

Mr. Diefenbaker: Have not representations to that effect been made to the minister by small business?

Mr. Garson: Oh, yes, indeed. In considering those representations we have looked at some facts which are notorious and which I recommend to the hon. member for Lake Centre (Mr. Diefenbaker). The hon. member should be more realistic and have a little common sense and have a look at these other facts. If the doing away with resale price maintenance in those fields in which it now prevails is going to expose those fields to predatory price cutting, then we should expect to see predatory price cutting in those fields where there has been no resale price maintenance. They are quite extensive. On the hon. member's own representations, they represent 85 per cent of retailing in Canada because if I understood him correctly he said that 15 per cent was resale price maintained.

Do we find in the 85 per cent of retailing in which there is no price maintenance that the little fellow is being driven out of business by predatory price cutting? Take the grocery trade, in which I think the hon. member for Hamilton West (Mrs. Fairclough) said there was less than one per cent resale price-maintained, or the hardware trade in which the trade representative before the joint committee said there was less than 8 per cent. I submit that every reasonable person with ordinary horse sense who takes a realistic approach to the plain facts of life will realize that if we do not have wholesale bankruptcies and chaos and predatory price cutting in the field in which resale price maintenance does not exist to any significant degree at the present time, then by the most ordinary logic we should be able to assume that if resale price maintenance is abolished in those areas which it now covers there will be no more reason to suppose that as long as economic conditions remain as they are at the present time such chaotic conditions will follow. That is the reason, as I understand it, that

the members of the parliamentary committee stated in their report, of which I certainly approve, this proposition:

> Your committee is of the view that if other types of predatory price cutting, the possibility and the nature of which cannot at the present time be foreseen, take place, the government should then consider placing before parliament further amendments of the Combines Investigation Act or the Criminal Code prohibiting such other types of predatory price cutting and providing adequate penalties for them.

The preceding paragraph of the report reads:

> Certain groups appearing before the committee have expressed the view that one of the consequences of prohibiting resale price maintenance will be to enable large and powerful retailing interests to engage in a policy of selling goods at unreasonably low prices for the purpose of destroying the independent retailer. This committee does not think that under present conditions there is any substantial likelihood of such policies being engaged in but would recommend to the government—

I recommend this next phrase particularly to the leader of the opposition.

> —in the event of such policies being practised, the vigorous enforcement of section 498A of the Criminal Code.

The main reason why we have not had occasion to vigorously enforce section 498A of the Criminal Code is that under the economic policies which have prevailed in this country during the last fifteen years, and under prevailing world conditions if you like to be absolutely fair, we have had the advantage of full employment and abundant revenues and it has not been necessary for any person in the trade to come to the combines investigation branch and suggest that that section should be invoked.

Perhaps that is not completely correct because we have had one or two specific complaints under section 498A (a). Legal members will recall that that is the subsection which prohibits the granting of a discount to a purchaser over and above the ordinary quantity or quality discounts available to the whole trade. We had complaints that a certain firm in Canada was granting unfair discounts in contravention of that section.

What happened? We went to this firm and we said, "our attention has been called to the possibility that you have been contravening this section of the Criminal Code." They said, "we were not aware of this section of the Criminal Code, but maybe so. Here are our price lists; have a look at them." We said, "there is item so and so, there is item so and so and there is item so and so which in our judgment contravene that section." They said, "that is quite all right. You say what the proper discount should be in that case and we will amend it and abide by it. We are very glad to have this matter drawn to our attention."

Mr. Diefenbaker: When was that?

Mr. Garson: That was within the last year. Reading from the last report of the combines investigation branch with bated breath like the villain in a melodrama, my hon. friend says that there has not been a single case in which the minister has authorized investigation under the act by ministerial direction. Think of it! I have no doubt that out in Lake Centre he would probably evoke great cheers and carry tremendous conviction by a statement of that sort, but my hon. friend is singularly lacking in preparation for the part he has taken in this debate if he has not acquainted himself with the fact that he can go back through all the preceding reports of the combines investigation branch and discover that in only a very few, if any, instances—I cannot recall a single instance offhand—has ministerial direction been given for action to be taken under the Combines Investigation Act.

Mr. Diefenbaker: Does that not prove my case that there is no enforcement?

Mr. Garson: My hon. friend made a remark—

Mr. Diefenbaker: Does that not prove that there is not very much of a will to enforce?

Mr. Garson: It certainly does not prove any such thing, although that is what my hon. friend would like to convey to the people of Canada, and it is upon that type of propaganda that he and his party thrive. What are the facts? As I think my hon. friend knows—I would not be a bit surprised if he knew it when he rose to speak today—the facts are that under the act there are three ways in which investigations can be authorized. One is by ministerial direction. Another is by the action of the Combines Investigation Act commissioner himself, his powers with respect to initiating proceedings being just as full and complete in every respect as those of the minister.

Mr. Diefenbaker: You fixed him on the flour milling report.

Mr. Garson: Let me finish what I am saying.

An hon. Member: It is hurting now.

Mr. Garson: Third, there is the method which my hon. friend himself could have invoked if he was so very much excited about the impropriety of there being no prosecutions, by no more complicated a device than getting five of his fellow citizens

to join with him in presenting a petition to the combines investigation commission which would compel action under the act. If he regards these things as having the degree of impropriety which he professes to regard them as having, I am very much surprised that he did not take that course long ago.

A little bit of common sense applied to the provisions of this act would, I think, convince any reasonable man that, where the minister has a first-class staff of able, sincere and hard-working people, for the minister himself to invoke from time to time the power to authorize investigations under the act could only be for one reason, because he thinks the combines investigation commissioner is failing to discharge his duties and exercise the powers which the act gives him. If the minister should adopt a practice of that sort I cannot imagine any other course he could follow which would be more destructive of the morale of the organization.

May I say that not only during the time of the present commissioner but also during the time of his predecessor, Mr. McGregor, there has never been any question in the administration of the Combines Investigation Act but that the commissioner could be absolutely depended upon to initiate the investigations that might be required from time to time.

My hon. friend makes a great fuss about the fact that there were only three formal investigations, and again he is trading upon the lack of information, as he supposes, of his audience. If he knew as much about matters of this kind as he professes to know he would know, for example, that in the case of the United States anti-trust division they figure that on the average it takes three years from the initiation of an inquiry in the first place until the matter is finally put into prosecution through the courts. While we do it somewhat more rapidly in this country, it still is a long, tedious and arduous process. It requires no imagination for anyone to realize that large and powerful organizations are involved in these matters. In this respect I do agree with one statement of fact my hon. friend made. They are large and powerful organizations, and they are also exceedingly intelligent men. They have the benefit of the very best accounting and legal advice, and we never launch a prosecution in any city in Canada that we do not go into court to be faced with a galaxy of the best legal talent that money can employ. It is a long, tough, uphill struggle all the way.

In a great many cases, as one might suppose, these agreements are not reduced to writing with big seals on them. They are not lying readily about for us to pick up. For example, in the bread prosecution we were only able to establish that there was an agreement, which could not be established definitely in writing or in any other way, by proving a whole series of acts, filing over 1,200 exhibits and taking 100 days of trial in order to show a long series of transactions which could only be consistent with the existence of an agreement, and in that way we secured a conviction. That being the case, I am sure a few moments' reflection would convince my hon. friend first of all that if there were any occasions in connection with the increase in the price of matches or flat glass for the commissioner to send in his operatives to investigate and see whether the increase in price was, as has been suggested by the hon. member for Spadina (Mr. Croll) and the hon. member for Lake Centre (Mr. Diefenbaker), to recover the amount of their fines—which if I may say so is a rather E. Phillips Oppenheim touch—or whether it might not be the result, as many increases are, of an increase due to economic forces. If it is due to economic forces and the commissioner so finds then we cannot prosecute people for increases in prices that are due to the operation of economic forces. I realize that in all of these remarks I am perhaps out of order, as the hon. member was during 95 per cent of his remarks—

Mr. Diefenbaker: Speak for yourself.

Mr. Garson: I am speaking for myself because my hon. friend was speaking for himself for a while, and we are both out of order. I am out of order because I have to reply to things that he said that were out of order. He raised the question of international cartels and implied more or less of a smear as to what we had done in that respect. Let me say, as my hon. friend well knows, that the disposition of international cartels has to be an international disposition. If my hon. friend has been following the matter at all carefully, he will know that in the proceedings that have been taken by the United Nations, Canada has been in the very forefront in trying to arrive at some method by which international cartels can be controlled. In the meantime, however, we are confined in Canada to the prosecution of those acts which take place within Canada, and that we have carried out as in the flat glass and match cases and others where we secured convictions.

My hon. friend said that if this legislation passes we will have a great outburst of price cutting which will put the small retailer out of business. He said, and again I agree with him, that it is very difficult to get facts and figures from the Canadian picture which can

be used in our reasoning about this particular subject matter. Professor Fuller, who appeared on behalf of the Canadian pharmaceutical association and who gave what in my judgment was the best brief of any that was submitted against the legislation, admitted freely under cross-examination that there was not a single fact or figure in his whole comprehensive brief, or in the two supplements attached to it, that was Canadian in origin. All the prices, all the facts, all the data came from the United States where, as I am sure the hon. member for Lake Centre will agree, they have built up a substantial amount of literature and statistics on that subject of resale price maintenance. The proponents of the fair trade laws of that country have, in the course of the years, built up a substantial amount of literature and Professor Fuller drew heavily from that source.

In the absence of any reliable data about the Canadian scene, the committee was asked to draw comparisons between things that were really, as Professor Fuller admitted, not comparable. We were asked to draw the conclusion that, because in an industry in which some of the products were price maintained and others were not price maintained, the mark-up on the free goods was higher than it was on the price maintained goods, that proved that resale price maintenance was a good thing. We all remember the book "1066 and All That" in which this subject or the other subject was said to be a good thing or a bad thing; on the basis of such proof we were asked to agree that resale price maintenance was a good thing in that vague sense. Those who have read the book will gather my meaning. In other words, such a comparison proves nothing. The only way in which a system of free competitive selling could be compared with a system of resale price maintenance is to compare the price of identical goods sold simultaneously under conditions as closely identical as possible in a jurisdiction in which resale price maintenance prevails and in an adjoining jurisdiction in which resale price maintenance does not prevail. To apply the rules of logic, if you are going to compare the benefits of this system with the benefits of that system you have to have every other factor in your comparison common to the two, in order to compare the results of one system with the results of the other system.

When you apply that method—as Professor Fuller admitted, the only reasonably sound method—it does not make any difference where you go for the facts and there are not too many places you can go. You can only go to those places in the United States where there is a state in which free trade prevails, like Texas, and a contiguous state of about the same economic development in which resale price maintenance prevails, like California. You can make comparisons between Missouri and Illinois or between the District of Columbia and Maryland. In every one of those cases when the comparison is made by an independent body and not by some interested party, you find that the prices are substantially lower in the free trade state as compared to what they are in the other state. Not only is that the case, but in complete refutation of my hon. friend's theory that the only way in which the retail dealer can survive is with the crutch of resale price maintenance, you will find that the independent retailer in Texas has as great a percentage of the total retail business as he has in California. He has as great a percentage in Missouri as he has in Illinois, and so on throughout the comparisons.

We can invoke a fairly up-to-date example of that sort of thing. It is only a few months since an attempt was made by the Missouri supporters of resale price maintenance to have the system introduced in a state which, up until that time, had been under free trade. Here is a photostat copy of the St. Louis *Star-Times* for April 18, 1951. The headline reads:

> Eleven to twelve per cent hike in drug prices expected under fair trade bill.

That is to say if the particular bill which was then suggested became law, there would be an eleven to twelve per cent hike in drug prices. Here are the comparisons of existing Illinois prices, that is under resale price maintenance, and St. Louis prices under free trade. There is a smudge on this, but I think it reads, American shampoo; St. Louis price 98 cents; Illinois price $1.39; Bayer Aspirin, 100, St. Louis price 49 cents; Illinois price 59 cents; Fleet's Phospho-Soda, St. Louis price 89 cents, Illinois price $1.29; Hadacol, St. Louis price $1.09, Illinois price $1.19; Pond's cream, $1.13 in St. Louis, and $1.39 in Illinois. I am happy to say, Mr. Speaker, that the attempt to secure passage of this fair trade law was unsuccessful.

I suggest that a great deal of the thinking of my hon. friends of the official opposition is a relic of the days of the Bennett government. They are still thinking in the terms of the period from 1930 to 1935, and all their fears of the effects upon the independent retailer are based upon the fears which every person had, and for good reason at that time. When I say that I want to make it clear that there is no implication that there was any

fault in government policies or anything of that sort. The depression of that time extended over more than one country. If my hon. friends of the official opposition who have shown considerable interest in a system of fair trade laws in the United States had only prosecuted their research a little further than they did, they would have discovered that the Miles case, in which the Supreme Court of the United States said that the Sherman anti-trust law was applicable to resale price maintenance, was decided in the year 1912. The first trade law of the state of California, and that was the first one, was not passed until 1931. During this nineteen-year intervening period, the small retailers and business people in the United States were exposed to this predatory price cutting and all the other devices it was possible to bring against them. In spite of that, the supporters of fair trade in that country were not able to get any laws through the Congress of the United States to provide for fair trade.

The hon. member for Broadview (Mr. Hees) has made two speeches and has shown, if I may say so, great ingenuity in a new method of filibustering, in using on the second occasion exactly the same notes as he used on the first, so that the text is almost identical. In that way he saves a great deal of labour and carries along his filibuster in an admirable way.

An hon. Member: They all used the same notes.

Mr. Garson: He portrayed to this house this beautiful picture of the operations of the fair trade laws in the United States where everybody was happy: the people who asked for them were happy, the consumers were happy, the governments who put them into force were re-elected, and so on. Mr. Speaker, those interested were not able to get the congress of the United States to pass any fair trade laws between 1912 and 1931. As anyone who has studied the subject knows, the fair trade laws that were then introduced—not in congress; they never succeeded in congress even then—but in the state legislatures, were a phenomenon of the depression. These American fair trade laws were produced by the same kind of thinking that our hon. friends of the official opposition bring into this parliament as a relic of the Bennett government days in their approach to this legislation now before us.

They tell us that these American fair trade laws are a great, spontaneous uprising supported by all of the people of the country; that they are highly acceptable to them and so on; but the fact is that the great majority of these state laws were put through without any public hearing, and without any adequate discussion, so much so that some of the central provisions in them around which the acts hinged contained a mistake; a bad misprint in the original act in California was repeated in several of the other states for quite a period of time before any person found that the error had been made.

Then with regard to the alleged great amount of support that there was for the Miller-Tydings amendment to the Sherman anti-trust law to provide that resale price agreements reached under the state laws would not come under the ban of the Sherman anti-trust law, what was the history of that amendment? It was introduced in congress and it was defeated. Its sponsors could not get it through in any other way so ingeniously, and I think one could apply a stronger adjective, so the sponsors of the amendment tacked it on as a rider to the appropriation bill of the District of Columbia in the dying hours of the session and put the President of the United States in the dilemma of either letting the amendment go through along with the appropriation bill or vetoing both and then not providing any money to meet the payrolls of the District of Columbia. That was the way in which the Miller-Tydings act came into effect; and this is the act and these are the fair trade state laws that my friend, the hon. member for Broadview, is recommending as a model upon which we should base our legislation.

A great attempt has been made, and without any accuracy whatever, by the hon. member for Lake Centre (Mr. Diefenbaker) and others of his party to try to create the impression, by putting it on *Hansard* and having it go around the country to people who might not otherwise be informed as to what the facts were, that there had been an attempt on the part of the government, in connection with this legislation, to hold it over until the dying hours of the session in order that it could then be rushed through. What are the facts, Mr. Speaker? The facts are that this legislation was announced in the speech from the throne. Could we, by any chance, announce it any sooner than that?

Mr. Drew: It was a surprise that it was announced in the house instead of outside of it beforehand.

Mr. Mutch: Too much turkey.

Mr. Garson: I am quite gratified to have my hon. friend announce that it is a surprise to him. If I can only get him to admit the fact, which he has not done up to now, that it was announced in the speech from the throne, I should be glad.

Mr. Drew: I referred to that matter several times in my speech.

Mr. Sinclair: Which speech? You made many.

Mr. Drew: Every one.

Mr. Garson: Then the resolution setting up the joint committee of the Senate and the House of Commons was moved in this house on November 2 of this year. After a somewhat protracted debate which, I can assure you, Mr. Speaker, was not the fault of the government, the resolution was passed and the committee, organizing rapidly and efficiently, had its first meeting on November 13. It then sat, I think I am safe in saying, on every date that was reasonable and reasonably convenient for all of the members to attend, and sat continuously up to the time that it made its final report on December 7. On December 7 the report was made by the committee in the morning and it was tabled in the afternoon. There was therefore no delay there. Then after the report had been tabled it was necessary, under the rules of the house, that we give notice of the introduction of the bill. As a result, the bill was introduced on December 10, took its place on the order paper, and was reached in the ordinary course of business of the house just seven days later, on December 17. The debate on second reading began then and it has continued intermittently ever since.

The mere recitation of these dates disposes of the allegation of any attempt upon the part of the government to delay the discussion of this bill. But when our hon. friends of the official oposition engage in protracted debate and have ten, twenty-five and forty speeches on the same subject, spend a whole day discussing points of order, and then come along and accuse us of delay, or of having held the bill off until the closing days of the session, I think it is really a little bit unreasonable. I will put it that way, not to be provocative at all; I think it is a little bit unreasonable. If we permitted them to get away with it, it would be conveying a wholly false impression to the people of this country.

Mr. Speaker: Order. The hon. member's time has expired.

Mr. Drew: It is agreed that he continue.

Mr. Stuart (Charlotte): May I ask the minister a question?

Mr. Garson: Yes.

Mr. Stuart (Charlotte): When the hon. member for Lake Centre spoke, I understood him to insinuate that Mr. McGregor, when he appeared before the committee, did not give us all the evidence that was required or available. Do you know of any evidence that was asked for and was not given?

Mr. Garson: Mr. Speaker, Mr. McGregor appeared on two occasions and, if I may say so, on both occasions made a magnificent presentation of his point of view. He was brought back on the second occasion for the specific purpose of answering any questions which the members of the committee might wish to ask him; and he certainly answered every question that was asked of him by any members of the committee.

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

Some hon. Members: Question.

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

YEAS

Messrs:

Beyerstein	Knight
Bryce	Low
Coldwell	Noseworthy
Fair	Stewart (Winnipeg North)
Herridge	Wright—11.
Jones	

NAYS

Messrs:

Abbott	Demers
Adamson	Denis
Anderson	Diefenbaker
Arsenault	Dion
Aylesworth	Drew
Balcer	Dube
Bater	Dumas
Black (Chateauguay-Huntingdon-Laprairie)	Eyre
Blair	Fairclough, Mrs.
Blanchette	Ferrie
Blue	Follwell
Boisvert	Fontaine
Bonnier	Fournier (Hull)
Boucher	Fournier (Maisonneuve-Rosemont)
Bradette	Fraser
Breithaupt	Fulford
Breton	Gardiner
Brisson	Garland
Brooks	Garson
Brown (Essex West)	Gauthier (Lake St. John)
Browne (St. John's West)	Gauthier (Lapointe)
Cameron	Gauthier (Portneuf)
Cannon	George
Cardiff	Gibson
Casselman	Gingras
Catherwood	Gingues
Cauchon	Gour (Russell)
Cavers	Graydon
Charlton	Gregg
Chevrier	Harris (Grey-Bruce)
Churchill	Harrison
Corry	Healy
Cote (St. Jean-Iberville-Napierville)	Hees
Cote (Verdun-La Salle)	Hellyer
Cournoyer	Helme
Courtemanche	Henderson
Coyle	Henry
Croll	Hetland
Darroch	Hodgson
Dechene	Hosking
	Howe

Huffman	Nadon
James	Nixon
Jeffery	Parent
Jutras	Picard
Kickham	Pinard
Lafontaine	Proudfoot
Laing	Prudham
Langlois (Berthier-Maskinonge)	Ratelle
Langlois (Gaspe)	Richard (St. Maurice-Lafleche)
Leduc	Riley
Lefrançois	Rinfret
Lennard	Roberge
Lesage	Robertson
Little	Robinson
Macdonald (Edmonton East)	Rochefort
Macdonnell (Greenwood)	Rooney
MacKenzie	Ross (Souris)
Macnaughton	Rowe
McCann	St. Laurent
McCubbin	Sinclair
McCusker	Smith (York North)
McDonald (Parry Sound-Muskoka)	Stuart (Charlotte)
McIvor	Studer
McLean (Huron-Perth)	Tremblay
McMillan	Tustin
Major	Valois
Maltais	Ward
Martin	Warren
Masse	Weaver
Monette	Weir
Murphy	Welbourn
Murray (Cariboo)	White (Middlesex East)
Murray (Oxford)	Whiteside
Mutch	Whitman
	Winkler
	Wood—151.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion. Shall the main motion carry?

Some hon. Members: No.

Mr. Speaker: Those in favour will say aye.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I take part in this debate with a good deal of reluctance, because I realize there has been considerable discussion on the amendment and subamendment. However, the few words I shall say will take up very little time, and I suggest hon. members should not complain because it is the first time I have spoken on the motion, the amendment or the subamendment.

May I call it six o'clock?

Some hon. Members: No.

Mr. Hodgson: Listening to the debate in the last few days I have come to the conclusion that there is no necessity to rush the passage of the bill, and that its consideration should be left over to the next session of parliament. It is untimely to have all this discussion at the end of the session. I suggest further that it was not necessary to have us come back after Christmas. I say consideration of the bill could have been left over until the next session of parliament.

I oppose the bill because I believe it is a smokescreen in the faces of the consuming public. The hon. member for Spadina (Mr. Croll) has suggested that the government has done everything possible to reduce the high cost of living, but I am suggesting that if in his opinion the hiding for ten months of the flour milling report was an effort on the part of the government to reduce the high cost of living, then he is badly misinformed.

I have received several communications from different organizations and individuals in my constituency. All these have been in opposition to the bill, while I have not received any communication favouring it. Therefore I would be remiss in my duty if I failed at this time to voice my opinion in opposition to the bill. I should not sit idly by and permit small retailers in my riding to be thrown out of business at the expense of the consuming public. Over the Christmas holidays I made it my business to call on as many people as I could and still enjoy Christmas at home. Every retailer and every little businessman is fearful of this legislation.

Mr. Warren: Louder.

Mr. Hodgson: Apparently the crows have not all gone south, because I hear one from Renfrew North. After listening to the debate there is no doubt in my mind that the fears of the small retailer are warranted. I have seen it happen before and probably it will happen again, when many little retailers were put out of business.

It has been said, and I think it is worth repeating, that the little retailer on Main street, on the back concession line, or in the little village is worthy of a great deal of consideration in the community life of this Canada of ours. We know that when the labouring man is out of work he goes to the little retailer for credit. We know that many labouring men have credit arrangements with small retailers under which they pay every two weeks or every month. Those people depend upon that method of merchandising to supply their families with goods and services.

If you put those retailers out of business you throw that business into the hands of the chain stores and other large businesses. We all know what happens when business of any kind becomes a monopoly. Either the government do not act or they seem to have little power in dealing with it at times.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Hodgson: Mr. Speaker, before the house rose at 6.15 I stated that I had not received a single communication in favour

of this legislation. In that I made a mistake because my train was late this morning and I did not have time to go over my mail before the house sat at eleven o'clock. However, during the dinner recess I found a letter on the notepaper of the Canadian Federation of Agriculture signed by one H. H. Hannam. He does not say so definitely, but from the letter one would take it that he probably is in favour of the legislation.

Mr. Speaker: Order. I ruled previously today that letters emanating from people outside the house referring to the proceedings in the house at the present time should not be read.

Mr. Hodgson: I am not reading the letter, Mr. Speaker, and I do not intend to. I have read it thoroughly, but in reference to it—

Mr. Speaker: I do not wish to be too strict, but I think other members of the house agreed not to discuss the letter.

Mr. Hodgson: It was discussed this afternoon by a Liberal member on the other side of the house. It is the same letter that was discussed this afternoon by the hon. member for Spadina (Mr. Croll), I believe.

Mr. Speaker: It was referred to by him.

Mr. Hodgson: That is all I am going to do. I am not going to read the letter. I am just going to refer to it.

Mr. Speaker: If the hon. member for Spadina referred to it I think he probably was out of order, but if he did so, I will allow the hon. member to refer to it briefly.

Mr. Hodgson: In this letter Mr. Hannam is not speaking for the Canadian Federation of Agriculture. He is speaking for himself, because he does not sign it for the Canadian Federation of Agriculture. He merely signs it "Mr. Hannam, president and managing director of the Canadian Federation of Agriculture". I said it was on their note paper. He used their paper, but it is not signed by the Canadian Federation of Agriculture. He signs it as managing director. He is responsible for the letter, but I do not think he is responsible for 60 per cent of the farmers of this country. He is certainly not responsible for those in my riding, and is certainly not speaking for them when he writes this letter. I think Mr. Hannam has become more or less of a political stooge. I say that because it is a funny thing that this circular letter, which every member of the House of Commons has received, should be written yesterday and delivered to members of the house today. It looks like a case of giving the football one more kick. I do not know how he got his job, but I know if the farmers of my riding had any say that he would not have it very long. He would be one more with his hand on the doorknob of the government looking for a job. In view of the way he has acted and the service he has rendered to the government they should give him a job. I see the Minister of Agriculture (Mr. Gardiner) smiling. He would make a good candidate for you for the next election.

Mr. Gardiner: I thought he used to be a Conservative.

Mr. Adamson: Oh, no.

Mr. Rowe: You have great influence over him.

Mr. Hodgson: With respect to the sittings of the special committee, it seems to me the government went to a lot of unnecessary expense. They hired two lawyers at a cost to the people of Canada of $500 a day. If you add their fees, living allowances and travelling expenses you will find it comes to a little over $500 a day. At the same time they acted as prosecuting attorneys when at least five lawyers were members of the committee, each one of whom was quite capable of carrying on the cross-examination of any witness. It appeared to me as if the chairman of the committee wanted somebody there to help him frame the rules as they went along, as the hon. member for Spadina said.

The flour milling report has been mentioned. The same minister kept it under cover and out of sight of members of the House of Commons and the people of Canada at least for ten months. If that could be done for the benefit of the large milling combine in this country, I do not see any reason why this legislation could not be held over for six or eight weeks for the benefit of the small retail store and the consuming public.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have sat here for nearly a week listening to the arguments of the members of the Progressive Conservative party against this bill. When the hon. member for Rosetown-Biggar (Mr. Coldwell) spoke and presented the views of this group I supported him. I was heartily in favour of the bill, and I must say that after listening to the arguments of the opposition I am more in favour of it than ever.

Mr. Brooks: Then we must be right.

Mr. Herridge: I am going to be quite brief, but I want to express my unqualified support for the legislation. I listened with care to the lengthy speech of the Minister of Justice

(Mr. Garson), on the motion for second reading. I think he gave a very complete analysis of the present situation and made a good case for the legislation now before the house. I believe it would be to the advantage of the Canadian consumer and create a better understanding of this very complicated situation if the minister would have his speech printed. If he will do so I will put in my order now for 300 copies. When the Prime Minister (Mr. St. Laurent) spoke this morning he was of course speaking as a Liberal and therefore as a firm believer in free enterprise. I thought he was on sound ground when he said he thought it was the responsibility of the retailer so far as fixing the price to the consumer is concerned.

I want to deal briefly with one aspect of this very complicated situation that is giving concern to large numbers of thoughtful people in the business and co-operative fields in various countries. I refer to the increasing percentage costs of distribution as the years go by. That fact has been noticed in Great Britain. It has been discovered in the United States, and without doubt it is a fact in Canada. In that regard I want to quote a few statements made by people well informed on this question. I refer to a statement by Mr. E. F. Schumacher which appeared in the London *Observer* of February 4, 1945. He said:

> In both Britain and the United States distribution costs have steadily risen while production costs have fallen. Whether the consumer has got any benefit out of the increased productive effort is more than doubtful.
>
> There is every indication that a rationalization of distribution may yield larger dividends in real wealth than any economies obtainable on the side of production. What is more, it is becoming ever more apparent that the lack of organization and co-ordination on the distributive side is the greatest single stumbling block on the road to increased productive efficiency.

Then Lord Woolton, who I believe is now the minister of food in the Conservative government of Great Britain, has characterized the distributive trades as one of the most expensive and luxurious factors of our national life. They are expensive not only in the large slice of the cost of living for which they account, but also in manpower.

I have one more reference. In dealing with this question the writer of this book says:

> The methods of enforcement of resale price maintenance vary considerably but they all effectively prevent the efficient retailer from passing on the benefits of his own efficiency to the consumer in the form of lower prices.

He goes on to explain it. I believe the Minister of Justice (Mr. Garson) mentioned that point when he was speaking. I believe that is a question that will more and more seriously concern the governments of all countries. Anyone who has studied the question at all realizes that the percentage of cost allotted to the distribution of goods is, to some extent, spoiling the benefits of the increased production that is taking place now. It is a considerable factor in the increased price of consumer goods. In my opinion there is no question about it; governments will have to give some consideration to this problem because society cannot continue to subsidize inefficiency. Under resale price maintenance as I see it there has been some inefficiency in retailing throughout the years. I just make that point in passing.

We in this group fully appreciate the fears some retailers have about the effect of this legislation on their business. These people have carried on for years under certain business arrangements to which they have become accustomed, and from which many of them believe they have derived a certain amount of protection. It is for this reason the amendment was moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). We are opposed to resale price maintenance because we do not believe prices should be fixed by manufacturers. When the member for Rosetown-Biggar had moved his amendment I was interested to notice that several members of the Progressive Conservative party looked it over very carefully. As I sat here watching them they reminded me of a group of coyotes sniffing at a baited trap; they thought something was hidden. As a matter of fact it was clear and concise, much more so than the amendment moved by the hon. member to my right. I believe that the implementation of that amendment in the federal and provincial spheres would have done a great deal to remove any legitimate fears some retailers may have.

There is no question about the attitude of the consumer of this country. If you were to meet a man on the street and say, "Are you in favour of manufacturers fixing prices?", he would say, "No". I believe that is evident from the representations made to the committee by the various groups. In my case it is evident from the correspondence I have received. I have received one letter from a wholesaler in my constituency in opposition to this legislation. There is no question about the attitude of the majority of the people, as is evident from the representations made to the committee by the trade union representatives. There is no question about the attitude of the farmers. The hon. member for Victoria, Ont., (Mr. Hodgson), speaking just prior to me, suggested that Mr. Hannam was not speaking for the farmers of Canada. Surely he has read the brief presented to the committee on behalf of the Canadian Federation of Agriculture.

If Mr. Hannam was not speaking for the farmers of Canada I think we would have heard about it before now. I think Mr. Hannam's reputation is solid and well founded. He is known as a man who represents the people who have elected him to be head of the Canadian Federation of Agriculture.

So far as the southeastern interior of British Columbia is concerned, a few days ago I noticed in the press a report of a farmers' meeting at which there was a discussion of resale price maintenance. It was obvious that these men supported this legislation. One illustration of a part of the mechanism of resale price maintenance was brought to the attention of the members present. If a farmer finds it necessary to buy a dollar spring or some other small part, he finds that he has to buy a ten dollar assembly and other pieces which he did not require. It was brought out at the meeting that this is part of the mechanism of price maintenance. Then there was the excellent brief presented to the committee by the consumers association.

For a minute or two I should like to deal with the brief presented by the co-operative union of Canada. I have read all these briefs, and I thought the co-operative union made one or two points that are worth bringing particularly to the attention of the house. I mention this because I am personally interested in the co-operative movement. I have spent a good many years of my life as an official of a co-operative organization, and we have a very well developed co-operative movement in my constituency; a service co-operative operating busses, a fruit growers union, credit unions and so on. At page 700 of the minutes of proceedings and evidence of the joint committee of the Senate and House of Commons on combines legislation I find that paragraph 4 reads as follows:

> In operating their co-operatives and developing a Canadian co-operative program, the consumers whom we represent encounter difficulties and frustration. It is obvious that consumer co-operatives cannot function successfully without free access to goods. But our experience is that we are denied this right because of our policy of supplying ourselves with goods at cost through the payment of patronage refunds.

This legislation is going to be of considerable assistance to the co-operative movement of this country, because I have personal experience, as a member and official of the co-operative organization, of the refusal of manufacturers and wholesalers to provide goods.

In the concluding paragraph I think there is something worth bringing to the attention of the house. In paragraph 11 on page 703 we find the following:

> In dealing with the particular problem before your committee the interest of the consumer is paramount, and the submission is made primarily on behalf of the hundreds of thousands of consumers who have through necessity organized to supply themselves with goods and services at cost. The members in these co-operatives believe that through the development of the co-operative movement they can, by the application of the co-operative method and the elimination of profit in the supplying of their goods, eventually solve to a great extent the problem of monopolies which is giving this committee and parliament such deep concern.

I heartily agree with this contention.

> In support of this belief we would cite the case of the Swedish Co-operative Union and Wholesale Society (Kooperativa Forbundet). Beginning in the years immediately following the first world war, the Swedish wholesale, in company with other Scandinavian co-operatives, undertook a systematic attack on various cartels which were oppressing the consuming public. Most famous of their achievements was the successful entry into the electric lamp field which resulted in a saving of 5,000,000 kroner a year for the Swedish public. This was followed by similar attacks on the vegetable oil and cash register cartels, among others. In many cases these efforts were carried out in co-operation with other interested elements in the community.

And this is the short paragraph in which I am greatly interested:

> In conclusion, we submit that co-operative enterprise, if allowed to develop normally, will of itself do much to combat monopolistic, restrictive trade practices and to supplement federal and provincial legislative action in this field.

I now want to say this in conclusion. I think this legislation is going to be of advantage not only to the consumers of Canada as a whole but in particular to the co-operative movement in this country. When this legislation is passed it will be possible for the consumers of this country to do something for themselves, if increasing numbers of consumers would enlist in the co-operative movement, would support the promotion of manufacturing co-operatives, would support to a greater extent the development of wholesale co-operatives and would support to an even greater extent than they do today the development of retail co-operatives. The people themselves have in their own hands the opportunity of developing a co-operative movement that can be an effective check upon these unfair trade practices we are dealing with under this legislation. As a result of the investigation of the MacQuarrie committee, the investigation by the parliamentary committee, the debate in this house and the representations made by the co-operative union and other organizations of the people of this country, I trust that this legislation will bring a great stimulus to the co-operative movement in Canada and that, in so doing, it will provide a check by the people themselves on unfair trade practices.

Mr. F. E. Lennard (Wentworth): In rising for a moment to speak again in this debate, Mr. Speaker, I might say to the hon. member for Kootenay West (Mr. Herridge) that Mr.

H. H. Hannam certainly does not represent all the farmers of Canada; at least he does not represent a great number of those in my locality. As to the letter which we received this morning—and I am not quoting any more letters, Mr. Speaker—I wish to refer to one sentence in which he says that any prolongation of this debate—

Mr. Speaker: Order. That is one of the sentences to which objection is taken.

Mr. Lennard: At any rate, it is in the letter.

Mr. Speaker: Perhaps the house would like me to read the reference in Beauchesne's third edition. I will read paragraph 266, the latter part of which states:

> Members may quote an article or a book stating facts, but a commentary on any proceeding or any discussion in the house, with the object of swinging an opinion to one side or the other, is out of order.

Mr. Lennard: All right, Mr. Speaker. Mr. Hannam intimated that any prolongation of this debate might be considered as sparring for political advantage. Apparently Mr. Hannam thought that, by prolongation of this debate, there might be political advantage for some people in this House of Commons.

Mr. Speaker: Order. I think the hon. member should state his own views, not Mr. Hannam's.

Mr. Fournier (Maisonneuve-Rosemont): And if he has no views at all, he knows what to do.

Mr. Lennard: May I repeat, Mr. Speaker, that Mr. Hannam does not truly represent the agricultural interests of Wentworth county, at least. He has been referred to this evening as a stooge. I will not go quite that far, Mr. Speaker, but I will say that in my opinion over the past number of years he has been a good right hand man to the Minister of Agriculture (Mr. Gardiner).

What I have just said, Mr. Speaker, was prompted by the interjection by the hon. member for Kootenay West. I did not rise for that purpose at all. I merely rose to refer to something that was mentioned last Friday evening during the address of the hon. member for St. John's West (Mr. Browne), when an interjection was made by the hon. member for Maple Creek (Mr. Studer)—and I am sure that the hon. member would welcome this correction as much as anyone—where he said, as reported at page 2375 of *Hansard*:

> I was referring to our country out west when I made the statement that in the average town there is about one drug store for every thousand of population.

The hon. member probably did not have in mind the fact that the average town in his home province of Saskatchewan feeds a goodly circle of farming community surrounding it. He probably did not take that fact into consideration. On looking up the bureau of statistics census of 1950, I find that in the province of Saskatchewan there were 309 drug stores; and I am not referring to the country stores that sell some form of salicylic acid under some trade name, some patent medicines, castor oil, or horse liniment and that sort of thing. I am referring to the legitimate chemist shops or pharmacies that employ chemists to make up prescriptions and sell drugs. As I say, according to the bureau of statistics census of 1950 in the province of Saskatchewan there were 309 drug stores and the average drug stores served a population of 2,828; that is an average of nearly 3,000 people per drug store. The same thing applies in other sections of Canada. I merely rose to draw to your attention, Mr. Speaker, the fact that there are not in Canada nearly as many drug stores as some people might wish to intimate.

Mr. Sinnott: That makes your case that much worse.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on earlier occasions I intimated that there was one feature of this measure which I proposed to discuss at a later time in this debate. It is for that purpose I now rise. Earlier I had hoped the government would recognize the fact that the course it is following is not one that is consistent with the best interests of the consumer or of the people of Canada generally, and for that reason might be persuaded to withdraw this legislation in view of the short time that would elapse until we met in another regular session. The government, however, has refused to consider that delay, although at no time has a single reason—and I repeat those words, a single reason—been given why inquiries could not be made that would place before this high court of parliament evidence upon which we could really form some understandable conclusion as to what should be done to meet this situation.

I regret that some of the speeches by supporters of the government and their socialist associates earlier today have made it quite clear that an attempt is being made to convey the impression that any effort to obtain adequate consideration of this measure is to be branded as defence of the big interests and an attempt to protect practices which the government say should be discontinued. It is not necessary to point out again, because it has been pointed out already, that the only big interests who have appeared in this matter voicing very, very vigorous support are the big interests in the retail trade of this

country. I repeat what I said before. Size or bigness in any retail or other business is not an offence in itself; but certainly if there is any group which has indicated its desire to see this bill adopted it is that retail group which can be described as very big business indeed. That is their legitimate right. In this free economy of ours they have the right to assert their position, as the small retailer has the right to assert his.

When any suggestion is made that we are leaving uncertainty as to our position, because we ask for more information, may I point out that this committee sat for only a very limited time in relation to the importance of this subject, and that it did not permit many people who indicated their desire to do so to place evidence before it. The minister who has introduced this measure in a somewhat emotional display told us that the facts spoke for themselves, and that they demonstrated how little delay there had been in dealing with this measure. He said it had been announced in the speech from the throne that a measure was to be introduced, and that is correct. I believe that was on October 9. It was announced at that time that this very important measure was to be introduced, and it was indicated that it was to deal with the problem of inflation about which, it was stated, the government shared the concern of the people of Canada.

Let us see the measure of haste the government showed to deal with this tremendously important legislation. The announcement was made on October 9; and by great haste and a display of their desire to get ahead with this legislation a motion was made on November 2 that this committee be set up. Surely that was a display of haste which must convince anyone who does not recognize that for the whole of that three weeks and more this house could have been dealing with this very legislation if the government had really wished to set up the committee right away to deal with it.

Then what happened? After protracted debate, according to the minister who has introduced the legislation, the motion was adopted. An examination of *Hansard* will suggest that the debate was not very protracted in relation to the importance of the subject matter. That motion came forward on November 2 and the committee commenced its work on November 13, eleven days later—another great display of haste on the part of the government. The committee met, and the bill was introduced in this house on December 10. And though it could have been dealt with almost any day after that it was not reached, to use the words of the minister who introduced it, until December 17. There was no reason for that delay except to hold this bill back until the pressure that was naturally being exerted to get the business done in time for hon. members to get home for Christmas might possibly limit the time available for debate.

The dates given by the Minister of Justice (Mr. Garson) support in the most conclusive way the fact that at every stage during this session there has been the maximum possible delay in proceeding with this measure. Not only this one bill still remains to be dealt with. There is the bill introduced by the Minister of Public Works (Mr. Fournier). We have not yet seen the amended form it is to take. Most certainly if it still contains any wide-open avoidance of the traditional practice of tender there will be no short debate on that bill either. Then we have the annuities bill, an extremely important one, with certain new ideas introduced.

Some hon. Members: Order.

Mr. Drew: There are other measures before this house which are certainly going to involve considerable time.

In so far as this measure is concerned, it was brought forward with the other important measures in the same way that important legislation was brought forward at the end of the last session and at the end of other sessions which have preceded this, with the idea that adequate consideration should not be given to it. I am still urging the government to recognize that it would be evidence of one of the best New Year's resolutions ever made by the members of this government if they decided to change this course and let this measure stand until the next regular session, then appoint a committee that could continue to sit in the intervening period to hear the evidence which could be heard. Or if the government does not feel that such a committee should be appointed, it should really leave the task to the committee which was supposed to deal with it, and let the committee under the chairmanship of Mr. Justice MacQuarrie deal with this whole problem and present a complete report to this house in regard to the proposed amendments to the combines act.

There is another angle which I do suggest should be given the utmost consideration; that is the absence of any sound explanation why adequate inquiry from several points of view cannot be made. In his earlier remarks today the Prime Minister himself (Mr. St. Laurent) referred to the point I had made in regard to the Dominion Trade and Industry Commission Act of 1935 which was referred to the courts in 1936. He pointed out that I had recalled the fact that section 14 of the Dominion Trade and Industry Commission

Act, which dealt with this question of agreement in regard to prices, had been declared ultra vires of the parliament of Canada by the Supreme Court of Canada in a judgment in 1936. In referring to that fact he indicated that doubtless the remarks I had made would apply to the suggestion that consideration be given to the setting up of a fair trade commission.

In those remarks the Prime Minister recalled references to decisions which were made in regard to the subject matter now before the house. At an earlier point in the discussion of this measure I mentioned the fact that the Minister of Justice (Mr. Garson) had not brought before us those independent opinions which had been presented to this high court of parliament on earlier occasions when other similar measures were under consideration, which gave the views of experienced constitutional lawyers in regard to the constitutionality of this measure.

I recognize the fact that there is no requirement that such opinions shall be produced. I would like to have the unqualified assurance of the Minister of Justice that he has received no opinion from any of those with whom he has discussed this subject which suggested the possibility that this measure now before us might be ultra vires.

Mr. Garson: This present bill?

Mr. Drew: Yes.

Mr. Garson: I am very glad to give my hon. friend the assurance that there has been no suggestion from any source whatsoever that it might be ultra vires.

Mr. Drew: The minister has stated he has received no suggestion of that kind. I would point out that this measure deals with precisely the same subject matter that section 14 of the Dominion Trade and Industry Commission Act dealt with in 1935, when that act was passed. It is perfectly true that the act which was passed in 1935 provided a permissible mechanism that would have legalized arrangements of the very kind which are now to be declared illegal, without any reservation and without any qualification.

I do suggest that it may be well to remember the grounds upon which the act of 1935 was declared invalid, and also to remember certain subsequent legislation which has had some bearing on the extent to which this parliament could go in dealing with matters ordinarily under the jurisdiction of the provincial governments, under the device of making it appear that it is a criminal offence or something relating to trade and commerce, or some other subject that would come within federal jurisdiction.

As the Prime Minister knows so well, there were two cases referred first to the Supreme Court of Canada and later, in 1936, to the privy council. One was a reference in regard to section 498A of the Criminal Code, and the other was a reference in regard to the Dominion Trade and Industry Commission Act. The Prime Minister acted as one of the counsel for the Attorney General of Canada in those references.

In the reference in regard to section 498A which was first heard by the Supreme Court of Canada and later on appeal by the privy council, there were certain references that I do suggest have some bearing on this measure now before us. In the judgment of the Supreme Court of Canada, in the matter of a reference as to whether the parliament of Canada had legislative jurisdiction to enact section 498A of the Criminal Code, being chapter 56 of the Statutes of Canada for 1935, the judgment of Chief Justice Duff, I find these comments:

> The prohibitions seem to be aimed at the prevention of practices which parliament conceives to be inimical to the public welfare; and each of the offences is declared in explicit terms to be an indictable offence.

Later in the same judgment the chief justice said:

> It is also well settled that the parliament of Canada cannot acquire jurisdiction over a subject which belongs exclusively to the provinces by attaching penal sanctions to legislation which in its pith and substance is legislation in relation to that subject in its provincial aspects alone.

That is the point which it seems to me should be in the minds of hon. members when they consider this aspect of the problem; that it is the pith and substance of the legislation, the pith and substance of the subject matter before the house, which must be considered in deciding whether this is in fact within the jurisdiction of the parliament of Canada or whether, under the British North America Act, it falls within the exclusive jurisdiction of the provincial legislatures and their governments.

When this came before the privy council section 14 was not actually dealt with. But there is one statement in the judgment of the privy council that I would like to read, because it follows these thoughts. It is this:

> The basis of that decision is that there is no other criterion of "wrongness" than the intention of the legislature in the public interest to prohibit the act or omission made criminal.

That is one quotation I wanted to read. The other quotation from the judgment of the privy council is this:

> The only limitation on the plenary power of the dominion to determine what shall or shall not be criminal is the condition that parliament shall not

in the guise of enacting criminal legislation in truth and in substance encroach on any of the classes of subjects enumerated in section 92.

I have placed on the record those short quotations from the judgments of the Supreme Court of Canada and the privy council. I should like to correct one statement. I said they had not dealt with section 14, but it was really dealing with the question of an appeal in connection with section 498A, both to the Supreme Court of Canada and to the privy council.

Mr. Garson: I wonder if my hon. friend would read at the conclusion of the sentence that he finished the very next sentence. I think that will clarify his point.

Mr. Drew: I am going to read exactly what I have chosen to read and the Minister of Justice can read any part he sees fit. They are extensive judgments and I do not intend to read them into the record in their entirety.

Mr. Garson: Just the one sentence.

Mr. Drew: If the Minister of Justice wishes to read any part afterward I shall be happy to have him do so. I do wish to correct the record in that respect, that the privy council judgment I was referring to was a judgment in regard to section 498A of the Criminal Code. The other reference was in relation to the Dominion Trade and Industry Commission Act which was passed in 1935 and which was referred to the Supreme Court of Canada to express its opinion as to the constitutionality of the act.

I should like to quote from the judgment of Chief Justice Duff. He was dealing with the arrangement for the approval of agreements in relation to prices and other arrangements of the very kind we are discussing now, along with other arrangements in industry or commerce, and he had this to say:

As to section 14, we cannot perceive any ground for holding that the enactments of this section are necessarily incidental to the exercise of any powers of the dominion in relation to the criminal law. Nor can the section, we think, be sustained as legislation in relation to the regulation of trade and commerce consistently with the passage quoted from the judgment of the judicial committee in Snider's case (1), in the reasons given in the judgment upon the reference concerning the Natural Products Marketing Act. It is to be observed that this section contemplates action by the commission and by the governor in council in respect of individual agreements which may relate to trade that is entirely local.

If confined to external trade and interprovincial trade, the section might well be competent under head No. 2 of section 91; and if the legislation were in substance concerned with such trade, incidental legislation in relation to local trade necessary in order to prevent the defeat of competent provisions might also be competent; but as it stands, we think this section is invalid.

That judgment refers to a section which would have permitted, in cases where it was demonstrably in the public interest that such agreements should be permitted, agreements of the very nature which would be prohibited by the legislation now before us. That being so, I think the question naturally arises as to whether we should not have a great deal more information before us when we are called upon to pass a bill of this kind, when the possibility is raised that it might be ultra vires.

I do want to deal with one other aspect of this problem. There has been a very general impression that the parliament of Canada could declare almost anything a criminal offence, and that the courts were almost bound to accept the declaration by parliament that an act might be a criminal offence. I question if sufficient attention has yet been paid to the grounds upon which the privy council dealt with the margarine case as recently as earlier this year, at the time they had before them an appeal from the judgment of the Supreme Court of Canada. I submit that the case to which I have referred and which is described as "in re a reference as to the validity of section 5(a) of the Dairy Industry Act, Revised Statutes of Canada, 1927, chapter 45. Canadian Federation of Agriculture, appellants; and Attorney General for Quebec and others, respondents" indicates that there have been very real limitations placed upon the authority of this parliament to declare any act to be a criminal act. I wish to quote from that judgment which is reported in Law Reports, Appeal Cases, 1951, 179, at pages 181 and 182, as follows:

The first main submission is that s. 5 (a) of the Dairy Industry Act is legislation in relation to "the regulation of trade and commerce" and therefore validly enacted under head 2 of s. 91 of the British North America Act, 1867. Secondly, s. 5 (a) and the appropriate penal provision in s. 10 of the act, is legislation in relation to "the criminal law" under s. 91, head 27, of the act of 1867. Thirdly, s. 5 (a) is a law in relation to a matter not coming within the classes of subjects assigned exclusively to the legislatures of the provinces, and is therefore within the residuary power conferred by the opening words of s. 91.

I pass to page 196 of the judgment of the privy council, and I should like to read into the record several paragraphs of this judgment because it seems to me they place this whole subject on a different basis. I feel that they should be before the members of this house who are called upon to pass judgment on whether or not the parliament of Canada is going to assume responsibility for a measure that may conceivably be beyond our jurisdiction. I start to quote at page 196 of the judgment of the privy council, as follows:

Their lordships' views on this branch of the case may be happily stated by a quotation from the judgments of the majority in the supreme court.

Rand, J., said (83): "That object (i.e., the object of prohibition), as I must find it, is economic and the legislative purpose, to give trade protection to the dairy industry in the production of and sale of butter; to benefit one group of persons as against competitors in business in which, in the absence of the legislation, the latter would be free to engage in the provinces. To forbid manufacture and sale for such an end is prima facie to deal directly with the civil rights of individuals in relation to particular trade within the provinces; Shannon *v.* Lower Mainland Dairy Board (84). The public interest in this regulation lies obviously in the trade effects: it is annexed to the legislative subject matter and follows the latter in its allocation to the one or other legislature. But to use it as a support for the legislation in the aspect of criminal law would mean that the dominion under its authority in that field, by forbidding the manufacture or sale of particular products, could, in what it considered a sound trade policy, not only interdict a substantial part of the economic life of one section of Canada, but do so for the benefit of that of another. Whatever the scope of the regulation of interprovincial trade, it is hard to conceive of a more insidious form of encroachment on a contemporary jurisdiction. This conclusion is not in conflict with Attorney General for British Columbia *v.* Attorney General for Canada (85). (Section 498A of the Criminal Code.) There, the essential nature of the legislation was not the equalization of civil rights between competitors or promoting the interest of one trade as against another; it was the safeguarding of the public against the evil consequences of certain fetters upon free and equal competition. There is no like purpose here; there is nothing of a general or injurious nature to be abolished or removed; it is a matter of preferring certain local trade to others."

With these observations their lordships entirely agree, and they are fatal to counsel's second argument in support of the appeal. That argument would have had more weight if it had been possible to contend that the object of the prohibition was to exclude from Canada substances injurious to health. In support of their third argument, counsel relied principally on Russell *v.* Regina (86), and the recent case of Attorney General for Ontario *v.* Canada Temperance Federation (87), in which Russell's case (86), not for the first time, was considered and commented upon. In the latter case Viscount Simon, in delivering the judgment of the board, said (88):

"In their lordships' opinion, the true test must be found in the real subject matter of the legislation: If it is such that it goes beyond local or provincial concern or interests and must from its inherent nature be the concern of the dominion as a whole (as, for example, in the Aeronautics case (89) and the Radio case (90)), then it will fall within the competence of the dominion parliament as a matter affecting the peace, order and good government of Canada, though it may in another aspect touch on matters specially reserved to the provincial legislatures. War and pestilence, no doubt, are instances: so, too, may be the drink or drug traffic, or the carrying of arms.

In Russell *v.* Regina (86), Sir Montague Smith gave as an instance of valid dominion legislation a law which prohibited or restricted the sale or exposure of cattle having a contagious disease. Nor is the validity of the legislation, when due to its inherent nature, affected because there may still be room for enactments by a provincial legislature dealing with an aspect of the same subject in so far as it specially affects that province." This passage must, however, be considered with the words used by Lord Atkin when delivering the judgment of the board in the Labour conventions case (91): "But the validity of the legislation under the general words of section 91 was sought to be established not in relation to the treaty-making power alone, but also as being concerned with matters of such general importance as to have attained 'such dimensions as to affect' the body politic, and to have 'ceased to be merely local or provincial', and to have 'become a matter of national concern'. It is interesting to notice how often the words used by Lord Watson in Attorney-General for Ontario *v.* Attorney-General for the dominion (92) have unsuccessfully been used in attempts to support encroachments on the provincial legislative powers given by section 92. They laid down no principle of constitutional law, and were cautious words intended to safeguard possible eventualities which no one at the time had any interest or desire to define. The law of Canada on this branch of constitutional law has been stated with such force and clarity by the Chief Justice in his judgment in the reference concerning the Natural Products Marketing Act (93) dealing with the six acts there referred to, that their lordships abstained from stating it afresh. The Chief Justice, naturally from his point of view, excepted legislation to fulfil treaties. On this their lordships have expressed their opinion. But subject to this, they agree with and adopt what was there said. They consider that the law is finally settled by the current of cases cited by the Chief Justice on the principles declared by him.

It is only necessary to call attention to the phrases in the various cases, "abnormal circumstances", "exceptional conditions", "standard of necessity", (Board of Commerce case (94)), "some extraordinary peril to the national life of Canada", "highly exceptional", "epidemic of pestilence", (Snider's case (95)), to show how far the present case is from the conditions which may override the normal distribution of powers in sections 91 and 92. The few pages of the chief justice's judgment will, it is to be hoped, form the locus classicus of the law on this point, and preclude further disputes." Their lordships think it sufficient to say, in answer to this third argument, that the prohibition now under consideration relates to civil rights within each of the provinces and that neither the facts set out in the order of reference, nor any other fact of which their lordships could take judicial notice, lead to the conclusion that there exists in the present case the conditions which may override the normal distribution of powers in sections 91 and 92.

May I say, Mr. Speaker, that if the Minister of Justice (Mr. Garson) feels I have not read sufficient of that judgment I shall be very pleased if he will extend the quotation.

An hon. Member: Read it all.

Mr. Drew: But I would point out that this judgment has emphasized and re-emphasized that it is not only the safeguarding of the public interest that has to be borne in mind; that it is not merely a question of removing certain fetters upon free and equal competition, but that there must be some suggestion of a criminal aspect to the conduct which is under consideration. The judgments referred to with approval by the privy council have pointed out that where this principle has been supported it has not been under any loose doctrine that the parliament of Canada may declare anything to be criminal, but that it is something that relates to abnormal circumstances, exceptional conditions, that there is some great necessity, that there is extraordinary peril to the national life of Canada, that

there is some epidemic or pestilence or something of that kind which must be dealt with.

These are the standards of emergency. These are the standards which are supposed to apply before this high court of parliament assumes the responsibility of declaring an act to be criminal. I am not presuming to place before this high court of parliament any dogmatic contention that the bill is necessarily ultra vires. Every lawyer who has been before our courts, every lawyer who has had such a wide experience in matters of this kind as the Prime Minister of Canada in his practice in earlier days, knows that even lawyers of the widest experience have on occasion found with surprise that the judges did not agree with the opinion they had originally expressed. I fancy that the Prime Minister, looking back over his years of experience, is not unique, and that he can perhaps recall cases where the court came to conclusions which were not entirely in line with the view he had originally expressed in regard to a subject of this kind. The fact that there is the possibility of such wide disagreement among highly trained legal minds is evidenced by the disagreement in the cases to which I have referred. I may say that not the present Prime Minister alone will recall that fact, because there is another member of this house who will recall, as a matter of family interest, the fact that there was a disagreement between the judges of the Supreme Court of Canada concerning the reference which had been placed before them on this subject.

There are great differences of opinion, and the balance sometimes goes one way and sometimes another. There are discernible trends in the judgments that are given. Sometimes one may detect a trend going on for a long time in one particular direction, and then the trend seems to go the other way. It may well be that at this time the trend of the judgments is to return to the original concept of confederation in which the rights conferred upon provincial legislatures were, in fact, to be exercised by provincial legislatures, and that the devices which were employed on so many occasions to override provincial jurisdiction should not be supported by the courts.

Believing as I do that the strength and unity of this country will depend upon a recognition of that distribution of power which was originally intended by those who drafted our federal constitution, I would hope that the tendency of our own Supreme Court of Canada would be in that direction. If it is, it may well be that the Supreme Court of Canada would hold that this subject matter now before us is the same subject matter that was before the house at an earlier time when this house passed the Dominion Trade and Industry Commission Act, which included section 14 that was declared to be ultra vires because the subject matter of that section was beyond the jurisdiction of the parliament of Canada. I submit the court may well decide that if the subject matter was neither trade and commerce nor criminal law and it was not competent for parliament to pass that section with its permissive authority, then it is no more competent for this parliament to pass a section which follows a strictly negative course and places an overriding prohibition on all transactions of this nature.

Where is the criminal offence? We still have not been told. It has been suggested that this is not a desirable practice. It has been suggested by at least one member on the other side that this is something in the nature of a reaffirmation of historic Liberalism. I hope it is not the same kind of reaffirmation which the Minister of Public Works (Mr. Fournier) placed before us when he introduced the amendments to the Public Works Act a few days ago. However, the Minister of Public Works must accept some responsibility for our pertinacity in continuing this debate, because we were successful in convincing him that it was desirable to change certain of the provisions in that bill. With that example before us, we still hope the government may recognize that there are reasons why this legislation should not be passed.

Mr. Speaker, we have not yet been told who the criminals are. There have been these statements about the friends of big business. I know there have been speeches about the desire to protect the manufacturer; but I recall that the Minister of Justice (Mr. Garson) did not give us examples of excessive profits by manufacturers. He gave us examples of what he regarded to be excessive write-ups between the price at which the manufacturer sold the article and the price at which the merchant sold it. I gather from this that he regards the merchant as the criminal in this case. Since that is the only thing he has put before us that by any stretch of the imagination can be suggested as supporting evidence for what he is doing, that is the only interpretation I can place upon it. I suggest that in so far as the responsibility of this high court of parliament is concerned, in declaring that this long established practice is in the nature of a criminal act we would be doing something very much like the communist government of east Germany did two days ago.

Mr. Fournier (Maisonneuve-Rosemont): Oh, oh.

Mr. Drew: I hear one of the Liberal members to the right making sounds that I cannot quite diagnose. It may be that it is so close to Christmas he is still suffering some pain. I would suggest that the hon. member make more intelligible sounds, and I shall attempt to deal with them.

I was simply pointing to the fact that I heard with interest over the radio that the government of east Germany had declared it a criminal offence to chew gum. It was declared to be a criminal offence because it was not regarded as being in keeping with the high purposes of the government of east Germany that they should permit the people to follow this American practice, as they described it. I am only referring to this fact to point out that it has been our habit to be sure there is some criminal nature to the act before we declare something to be criminal. If it is merely a commercial transaction then we should not, under the guise of dealing with criminal law, try to prevent something that can be prevented in some other way. Mr. Justice Rand, in the judgment in the margarine case which was quoted with approval by the privy council, made it quite clear that where the subject matter is really commercial law or relates to commercial practices, it cannot become a criminal offence by simply declaring it to be criminal. We are still left with the fact that the only reason even suggested so far for the haste with which this is being put forward is to be found on the advertising pages of the newspapers which are appearing now. Here I see an advertisement, for instance, in yesterday's Toronto *Telegram*: "Simpsons Annual Fashion Clearance", and below that a great number of articles listed for sale, a number of them at half price. Then on another page of the Toronto *Telegram* I see: "Eatons Thursday After-Christmas Clearances". There again I see one subheading which reads, "Reduced 20 per cent to 33⅓ per cent", and I see another subheading which reads, "Reduced One-Third to One-Half".

Mr. Pouliot: Is that ladies' wear or men's wear?

Mr. Drew: Just so there may be no suggestion that it is only in the case of these larger businesses that reductions are already being advertised, may I say that in my own mail I received an announcement of a footwear sale advertising a discount of 25 per cent. So it goes. But mark this fact. The advertisements are quite clear; they are annual sales, they have been annual sales and they will doubtless continue to be annual sales. But the haste, of course, is to try to identify this legislation in some way with sales that are already under way.

Mr. Fournier (Maisonneuve - Rosemont): What is your opinion about it?

Mr. Speaker: Order.

Mr. Rowe: Your policy is too late.

Mr. Drew: I notice that the hon. member for Spadina (Mr. Croll) this afternoon said: "What is worrying the leader of the opposition is that in addition to lower prices in January and February they may continue to drop." No, Mr. Speaker, that is not what is worrying me, and that is not what is worrying anyone else in this party. We have been urging that the government take steps which would make it certain that prices would drop. We have pointed out that one step they could have taken at any time during this session, and still could, would be to introduce appropriate legislation to remove the 25 per cent increase in the sales tax passed earlier this year, to remove the unnecessary excise taxes that were imposed earlier this year, and to reduce the increases in other taxes which are building up the surplus that is mounting month by month.

Mr. Howe: Why not eliminate all taxes?

Mr. Drew: Oh, no. It is not a case of eliminating all taxes; but it is quite clear that a great many taxes could have been eliminated in the public interest and still keep the revenue within the budget that was passed by this house, and actually keep the Minister of Finance (Mr. Abbott) within his duty to this parliament which only authorized him to raise the amount set out in his budget.

Mr. Bradette: What about Ontario? A surplus is all right there.

Mr. Drew: There is a vast difference between suggesting that there be no taxes at all and suggesting that the government could well remove those taxes which have built up the huge surplus which has proved to be so unnecessary.

I have pointed out, Mr. Speaker, that it is not possible for anyone either on this side of the house or on the other side to say there can be no chance that the Supreme Court of Canada would not declare that this legislation is outside the jurisdiction of the parliament of Canada. This law which would make a criminal offence of practices that have been accepted for generations certainly should not be put into effect if there is the slightest possibility that later it may be upset; because it would be a difficult thing to unscramble the omelet which had been cooked

by legislation of this kind. There is one way that situation can be avoided. It is a method that has found approval by this government and by some of those now sitting in this house. That method is to refer it to the Supreme Court of Canada. That is what Mr. King urged with regard to measures that were passed some years ago.

An hon. Member: And received a lot of criticism.

Mr. Drew: Mr. Speaker, when one of the ministers cannot even find his own seat in the house, perhaps it is not necessary to take too seriously the comments he is making.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, this legislation not only is similar to legislation that was before the house at the time Mr. King so strongly advocated reference to the courts; it in fact deals with precisely the same subject matter as that dealt with in one act which Mr. King said should go before the courts; and when he came to power in 1935 that was the course he followed. I would therefore think this course is one which should find acceptance by those who followed for so long his guidance in regard to constitutional matters. I therefore move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

That Bill No. 36 be not now read the second time but that its further consideration be deferred until the constitutionality thereof has been submitted to and approved by the Supreme Court of Canada.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the amendment moved by the leader of the opposition (Mr. Drew) requires, I submit, something more substantial to support it than the legal opinions with which he has been regaling the members of the house for the past three-quarters of an hour. During the course of his remarks he asked me whether the Department of Justice or the combines branch thereof had received any opinion from any lawyer to the effect that the legislation now before the house was beyond the powers of this parliament to pass. My answer was that we had received no such opinion. I think, however, that you, Mr. Speaker, and the members of this house are quite entitled to assume—and I am sure that you properly do assume—that when the government introduces a measure of this kind the necessary precautions are taken, as a matter of routine, to make as sure as we can that any legislation which is submitted by the government is within the power of parliament. We would certainly be derelict in our duty if we were to bring into this house legislation which, in the opinion of the law officers of the crown, was beyond the power of the house to pass. I may say that in the present instance the law officers of the crown entertain no doubt whatever as to the constitutionality of the bill which is now before hon. members.

If I may, I should like to make one or two observations with regard to the argument which has just been presented by the leader of the opposition. Inasmuch as we had no reason to suppose that this bill would be attacked upon the grounds on which he has just chosen to attack it, I shall have to deal with his remarks on rising immediately after he has finished making them, and therefore I may not take up every single point which he has made. I must say that with some of the points he has made I am in agreement, but with many others I am in profound disagreement. He says he thinks it is necessary that an act to be proscribed by legislation of the character that is now before us should be criminal in character. Well, I should be very curious to know as to whether he thinks that section—

Mr. Drew: I do not want to interrupt the hon. member but, Mr. Speaker, I would point out that the motion has not yet been read to the house.

Mr. Speaker: I should have read it, but the minister rose before I had an opportunity to do so. Mr. Drew moves, seconded by Mr. Rowe:

That Bill No. 36 be not now read the second time but that its further consideration be deferred until the constitutionality thereof has been submitted to and approved by the Supreme Court of Canada.

Mr. Garson: I was saying, Mr. Speaker, that I was curious to know what opinion my hon. friend would entertain of section 498A of the Criminal Code which, as he will recall, was enacted by the Bennett government in 1935, if I remember rightly. The first part of that section reads as follows:

Every person engaged in trade or commerce or industry who

(a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors in respect of a sale of goods of like quality and quantity—

—is guilty of an indictable offence, and so on. I suggest to my hon. friend, and I think upon reflection he will probably agree, that section 498A (a) which I have just read deals with a matter which but for section 498A (a) would be a commercial transaction lawfully within the power of those who took part in it. Thus that section, 498A, as my hon. friend himself has indicated, has

been the subject matter of a reference to determine its constitutionality. The case went before the Supreme Court of Canada, and the section was there held to be intra vires of parliament, with Justices Cannon and Crockett dissenting. Then it went from the Supreme Court of Canada to the privy council where it was held as reported in 1937, 1 Western Weekly Reports at page 319, and I quote this particularly because my hon. friend's quotation came to an abrupt stop at the very moment when he was beginning to get warm and come to the real point.

Mr. Sinclair: How typical.

Mr. Garson: My hon. friend quoted this:

> The only limitation on the plenary power of the dominion to determine what shall or shall not be criminal is the condition that parliament shall not in the guise of enacting criminal legislation in truth and in substance encroach on any of the classes of subjects enumerated in section 92.

That is, as coming within provincial jurisdiction. At that particular point my hon. friend came to an abrupt stop. The next sentence is this:

> It is no objection that it does in fact affect them. If a genuine attempt to amend the criminal law, it may obviously affect previously existing civil rights. The object of an amendment—

And I commend this particularly to my hon. friend.

> The object of an amendment of the criminal law as a rule is to deprive the citizen of the right to do that which apart from the amendment he could lawfully do.

In other words, as applied to section 498A, here is a commercial transaction previously engaged in with perfect legality. Parliament comes along and by section 498A says: This much you previously did. You no longer can do it by reason of the enactment of this section.

Their Lordships go on further in their judgment to say this:

> In the present case there seems to be no reason for supposing that the dominion are using the criminal law as a pretence or pretext or that the legislature is in pith and substance only interfering with civil rights in the province. Counsel for New Brunswick called the attention of the board to the report of the royal commission on price spreads, which is referred to in the order of reference. It probably would not be contended that the statement of the minister in the order of reference that the section was enacted to give effect to the recommendations of the royal commission bound the provinces or must necessarily be treated as conclusive by the board. But when the suggestion is made that the legislation was not in truth criminal legislation, but was in substance merely an encroachment on the provincial field, the existence of the report appears to be a material circumstance.

I suggest, Mr. Speaker, that there is this parallel between the constitutionality of section 498A of the Criminal Code and the validity of the legislation which is now before us; that, as was referred to in this selection which I have just quoted, section 498A was preceded by a report of the royal commission on price spreads which was referred to in the order of reference, and that the legislation we have here covers the specific recommendations of the MacQuarrie committee. Therefore it would seem to the law officers of the crown that the constitutionality of section 37A, which is the operative portion of the present legislation, would appear to depend upon the same considerations that determined the constitutional validity of section 498A, and that there is not much doubt about it at all, certainly there is not sufficient doubt about it to warrant the course which is recommended in the present amendment before the house, namely, that we should go no further but should refer the matter to the courts to determine whether we are acting within the powers of parliament.

In the course of his discussion my hon. friend went on to say that he was somewhat disturbed by other cases which had been decided, notably the one dealing with section 14 of the Dominion Trade and Industry Commission Act. Perhaps the following selection from the judgment of Chief Justice Sir Lyman Duff might dispel some of the doubts that he entertained. Chief Justice Sir Lyman Duff said this:

> As to section 14, we cannot perceive any ground for holding that the enactments of this section are necessarily incidental to the exercise of any powers of the dominion in relation to the criminal law. Nor can the section, we think, be sustained as legislation in relation to the regulation of trade and commerce consistently with the passage quoted from the judgment of the judicial committee in Snider's case (1), in the reasons given in the judgment upon the reference concerning the Natural Products Marketing Act. It is to be observed that this section contemplates action by the commission and by the governor in council in respect of individual agreements which may relate to trade that is entirely local.

That is not interprovincial or international trade, but trade wholly within a province. Then his lordship the chief justice goes on to say:

> If confined to external trade and interprovincial trade, the section might well be competent under head No. 2 of section 91; and if the legislation were in substance concerned with such trade, incidental legislation in relation to local trade necessary in order to prevent the defeat of competent provisions might also be competent; but as it stands, we think this section is invalid.

Another case which apparently gave my hon. friend considerable mental anxiety, which he wishes to invoke as a basis for the amendment he has moved, was the judgment of the privy council in the margarine case. In that connection I should like to read some of the same selections from the privy council judgment that were read by my hon.

friend; but, for some reason or other, I take a different meaning from them than he took.

The real point at issue in that case, I submit, was that in pith and substance, it was a law for the protection and encouragement of the dairy industry in Canada. And in the course of dealing with it their lordships of the privy council referred with approval to the judgment of Mr. Justice Rand, who had found that the object of the prohibition was economic, and the legislative purpose thereof was—and this is the nub of the matter, I suggest—to give trade protection to the dairy industry in the production and sale of butter. And then I quote from Mr. Justice Rand these words: "To benefit one group of persons as against competitors in business in which, in the absence of the legislation, the latter would be free to engage in the provinces." In other words it was distinguishing as between the civil rights of one group of people and the civil rights of another group of people. Again their lordships quote Mr. Justice Rand as follows:

"But to use it"—

And they are referring to the public interest in the regulation.

—"as a support for the legislation in the aspect of criminal law would mean that the dominion under its authority in that field, by forbidding the manufacture or sale of particular products, could, in what it considered a sound trade policy, not only interdict a substantial part of the economic life of one section of Canada, but do so for the benefit of that of another."

And that is the point. Then their lordships again quote Mr. Justice Rand, and they are now referring, in the course of the discussion of this margarine case, to section 498A of the Criminal Code:

There the essential nature of the legislation was not the equalization of civil rights between competitors or promoting the interest of one grade as against another; it was the safeguarding of the public against the evil consequences of certain fetters upon free and equal competition.

I would like to know what the purpose of the legislation before this house is, if it is not the safeguarding of the public against the evil consequences of certain fetters upon free and equal competition, namely resale price maintenance.

And as their lordships went on to further quote Mr. Justice Rand in the margarine case:

There is no like purpose here; there is nothing of a general or injurious nature to be abolished or removed; it is a matter of preferring certain local trade to others.

In my view it was upon that basis that the legislation in question was held to be ultra vires. I might say therefore in conclusion that not a single principle my hon. friend has sought to establish in his lengthy remarks offers a proper foundation for the amendment he has moved.

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

YEAS

Messrs:

Adamson
Aylesworth
Balcer
Blair
Brooks
Casselman
Catherwood
Churchill
Courtemanche
Coyle
Diefenbaker
Drew
Fairclough, Mrs.
Fraser
Gibson
Graydon
Hees
Hodgson
Lennard
Macdonnell (Greenwood)
McLure
Nowlan
Ross (Souris)
Rowe
Tustin
White (Middlesex East)
—26.

NAYS

Messrs:

Abbott
Anderson
Arsenault
Balcom
Bater
Beyerstein
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bradette
Breithaupt
Breton
Brisson
Brown (Essex West)
Bruneau
Bryce
Cameron
Cannon
Cauchon
Cavers
Chevrier
Clark
Cleaver
Cloutier
Coldwell
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Cournoyer
Darroch
Dechene
Demers
Denis
Dion
Dube
Dumas
Eyre
Fair
Ferrie
Fontaine
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gingras
Gingues
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Herridge
Hetland
Hosking
Howe
Huffman
James
Jeffery
Jones
Jutras
Kickham
Kirk (Digby-Yarmouth)
Knight
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Leduc
Lefrancois
Lesage
Little
Macdonald (Edmonton East)
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
Major

Maltais	Robertson
Martin	Robinson
Masse	Rochefort
Monette	Rooney
Mutch	St. Laurent
Nadon	Sinclair
Nixon	Sinnott
Noseworthy	Smith (York North)
Parent	Stewart (Winnipeg North)
Picard	Stuart (Charlotte)
Pinard	Tremblay
Proudfoot	Valois
Prudham	Ward
Ratelle	Weir
Richard (Gloucester)	Welbourn
Richard (Ottawa East)	Whiteside
Richard (St. Maurice-Lafleche)	Whitman
Riley	Winkler
Rinfret	Winters
Roberge	Wood
	Wright—137.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted for the amendment.

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired. Had I voted, I would have voted against the amendment.

Mr. Pouliot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted against the amendment.

On motion of Mr. Chevrier the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will proceed with this debate and then take up all other legislation. If the Secretary of State for External Affairs is here we will take up his resolution first.

At ten o'clock the house adjourned, without question put, pursuant to the order of the house passed on November 2, 1951.

HOUSE OF COMMONS

Friday, December 28, 1951

The house met at eleven o'clock.

LABOUR CONDITIONS

ARMY CLOTHING—PLACING OF ORDERS

On the orders of the day:

Mr. W. G. Blair (Lanark): I should like to direct a question to the Minister of Defence Production (Mr. Howe), but since he is not here I will ask it of his parliamentary assistant. Is it true that the Canadian government has placed orders for army clothing in Britain, United States or France?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, I would think it is not true, but I had better check the answer and make a more detailed one. I may say that I have noticed that certain representatives of labour have been holding meetings in the constituency which the hon. member represents, and I assume that his question arises out of some of the statements made in connection with those meetings. If he will let the matter stand as a notice, I will get him full information and give a precise answer.

TRADE

GLOVES AND OTHER TEXTILES—INVESTIGATION REGARDING DUMPING

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of National Revenue. I asked a similar one earlier in the session. Is the minister now in a position to say what is being done to meet the unfair competition of countries behind the iron curtain, such as Czechoslovakia, shipping into this country gloves and other textiles to the detriment of Canadians?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, as indicated in my statement on December 6 in reply to a question asked by the hon. member for Lake Centre, this matter was drawn to my attention also by a number of members as well as Canadian manufacturers, and it has been receiving our active attention for some time. An examination of the invoices covering these importations does not disclose any evidence of dumping as defined by the customs tariff, but we are endeavouring to ascertain the values at which these goods are sold for consumption in Czechoslovakia. As you will appreciate, this is a somewhat difficult task but we have been in discussion with the Czech authorities with a view to satisfying ourselves as to the proper values.

As I indicated in my previous statement, there are great difficulties in getting the type of information which we should have in order to determine whether or not dumping actually exists. It is true that there are fairly large importations from Czechoslovakia which act to the detriment of our Canadian manufacturers but, according to the law, the customs tariff, we must determine whether or not goods are being dumped; and the matter of determination is one of price and not of quality. We attempt to get the fair market price in the country of export and to see how that compares with prices under similar conditions in our own country.

Mr. Diefenbaker: I thank the minister for his reply. Is it not a fact that the United States has found it necessary to act in order to protect the Americans from this kind of thing?

Mr. McCann: I understand it has, Mr. Speaker; but I do not know whether that is done for economic reasons or for political reasons.

Mr. Graydon: If those reasons are good enough for them, they should be good enough for us.

Some hon. Members: Oh, oh.

STRATEGIC CHEMICALS—REPORTED SHIPMENTS TO HUNGARY

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of Trade and Commerce (Mr. Howe) or to whoever can speak for him in this matter. There has been an extensive discussion in the press of the charge made by the commerce department of the United States that the Continental Pharma Company of Montreal has been secretly exporting strategic chemicals to communist Hungary. I should like to ask what information the government can give us about this matter

and what steps have been taken, from the point of view of the Canadian government, to deal with this situation.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I have not had notice of the question, so I cannot give a full answer at this time. I noticed the reference in the paper yesterday, and as I understood it, the action taken in the United States was based not on the fact that they were secretly exporting them, but rather that these exports were carried on contrary to the export regulations of that country. The matter of whether or not any exports had been made from this country was being examined into yesterday. I have not full information, and I cannot give any further useful information at the moment. If there is anything that can be added I will bring it forward.

Mr. Drew: Since the parliamentary assistant is taking this as notice and will be making inquiry, I would point out that the opening paragraph of the Associated Press dispatch on this subject reads as follows:

> The Department of Commerce said today a New York exporter, a Canadian and a Belgian firm have been ordered barred from U.S. export trade for secretly shipping strategic war chemicals to communist Hungary.

That is the quotation from the Associated Press dispatch, and I am merely placing it before the parliamentary assistant so that he will understand my use of the word "secret".

Mr. McIlraith: I have not the press dispatch with me. I saw the press dispatches, but I do not know that I should comment on the reading of them into the record, and I do not know to what extent in the reply I should seek to deal with press dispatches. I think if I can deal with the facts of the situation instead of dealing with press dispatches it will probably be more effective.

OLD AGE SECURITY

ESTABLISHMENT OF TRIBUNAL

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to direct a question to the Minister of National Health and Welfare. I should have given him notice of it, but it did not come to my attention until this morning. I notice by the press that a board is being set up in various places to deal with the question of proof of age in connection with old age assistance to those in the 65 to 69 class. I was wondering whether that board will also have any jurisdiction over those over 70 who are attempting to qualify for old age security, but who have difficulty in proving their age.

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member for Vancouver South (Mr. Laing) spoke to me yesterday about this very matter, and the hon. member for The Battlefords (Mr. Bater) told me earlier this morning that he proposed to ask a question not precisely the same but along the same line.

Mr. Graydon: I am in good company.

Mr. Martin: As my hon. friend says, he is in good company.

Mr. Graydon: Gosh!

Mr. Martin: The Minister of Justice (Mr. Garson) said "For a change", but I would not agree with him. I may say that the regulations which have been formulated pursuant to the Old Age Security Act, but which have not yet been tabled in this house, will provide for an ad hoc tribunal representing the pensioner, the government and a third party in the community, at no expense, simply to assist the department in doubtful cases. But lest my reply give the impression that there is undue difficulty, let me say again to my hon. friend that over 95 per cent of those who are entitled to apply have done so.

QUESTION AS TO RETROACTIVE PAYMENTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of National Health and Welfare. If an application for old age pension is sent in on or before January 1, 1952, but the applicant has not been able to secure proof of age before the end of January or February, will the old age pension date back to January, 1952?

Hon. Paul Martin (Minister of National Health and Welfare): I always appreciate the nature of my hon. friend's questions. In view of its importance I would want to give some consideration before making a reply.

NEWFOUNDLAND

R.C.A.F. TRANSPORT ON SPECIAL FLIGHT FROM ST. JOHN'S TO GANDER

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I find that on November 26 I directed to the Prime Minister a question, of which I had given notice at that time, in regard to the use of a Royal Canadian Air Force plane on November 22 to make a special flight from St. John's, Newfoundland, to Gander, under somewhat unusual circumstances. At that time the Prime

Minister indicated that he would make further inquiries into these circumstances. I wonder whether he has that information now. If not he can take this as notice and give us the information he has obtained.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I know that the Acting Minister of National Defence had obtained information, and he showed it to me at that time. I know that he had a note about it in his folder to be used when the matter was again raised. I will endeavour to get that note and make use of it at the earliest possible moment.

KOREA

INFORMATION ON CEASE-FIRE NEGOTIATIONS

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Yesterday the leader of the opposition (Mr. Drew) asked for information concerning developments in connection with the cease-fire negotiations in Korea. I think I can give that information now. It was agreed in Korea on November 27 that if the military armistice agreement was not signed within thirty days—and I am quoting from this agreement:

> The subdelegations shall revise, immediately prior to the signing of the military armistice agreement, the above military demarcation line and the demilitarized zone in accordance with the changes which have occurred in the actual line of contact between both sides so that the revised military demarcation line will coincide exactly with the line of contact between both sides immediately prior to the signing of the military armistice agreement and will constitute the military demarcation line for the duration of the military armistice.

That is a quotation from the agreement made a month ago. At ten o'clock yesterday morning our time the thirty-day period from November 27 expired without any military armistice agreement having been signed. This means that after discussion which is now taking place—which is still taking place—on arrangements for supervision of the armistice and arrangements for the exchange of prisoners, and on the final item on the agenda, the two teams will determine a new demarcation line based on the line of contact as it stands just before the signing of any armistice. Since November 27, however, there have been no substantial alterations in the line of contact, and the line now, therefore, is almost the same as the cease-fire line which was agreed to on November 27.

An alternative method of procedure would be for the two sides to agree on an amendment of the agreement of November 27, extending the thirty-day period. We have no information as yet as to whether such an extension has been agreed on.

COMBINES INVESTIGATION ACT

AMENDMENT TO FORBID THE FIXING OF SPECIFIC OR MINIMUM RESALE PRICES

The house resumed, from Thursday, December 27, consideration of the motion of Mr. Garson for the second reading of Bill No. 36, to amend the Combines Investigation Act.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I had not intended to take part in this debate, but because there have been so many speeches—many of them more or less to the point—from the official opposition side of the house, I felt I should give some reasons why, as a member of the government, I was of the opinion that this legislation should be supported. For that reason I should like to speak briefly on the subject of the legislation which the government has proposed to deal with resale price maintenance.

Any delay in the consideration of this legislation, as the Prime Minister has said, is not in the government's view in the interests of the public at large. Either we are serious about this matter or we are not. Nor do I think that the alternative measures which have been proposed are likely to produce the results that the people of Canada want. Let me give you some reasons for believing that we should reject the tactics, the delaying tactics, which have been submitted as alternative proposals to this house by those who have moved various amendments, and those who have supported those amendments with speeches.

After the prolonged consideration that has been given to the proposed legislation on resale price maintenance, there is perhaps little for me to say. When I hear, however, members from the opposition side of the house suggest that this matter is being rushed through without due consideration to a conclusion, I wonder what more could reasonably be asked from this side of the house.

Hon. members will recall first of all that the royal commission on prices under the chairmanship of Professor Clifford Curtis of Queen's university was—and I quote his remarks—"impressed by the degree to which individual manufacturers fix the sale prices of their products, and so narrow the area in which price competition amongst wholesalers and retailers is operative."

That commission, which included a representative of the women of Canada, in the person of Mrs. Sutherland, and a prominent representative of the Quebec co-operative movement, Mr. Bois, recommended that the combines investigation commission give careful consideration and study to the problem, with a view to devising measures to deal with it.

Then, later on, we had the MacQuarrie committee, an impartial and distinguished group of Canadians who made a study of resale price maintenance and reached the unanimous recommendation that the practice is not in the public interest and should be made illegal. That was a unanimous recommendation, and there was no reservation to it whatever.

There has been criticism of that report on the ground that the committee did not obtain sufficient factual evidence. I am not much impressed by that kind of criticism. What I think is significant is that men like Mr. Justice MacQuarrie from Nova Scotia, and Mr. Curtis from British Columbia, Mr. Lamontagne from Quebec and Dr. Mackintosh from Queen's university, Kingston, Ontario, were satisfied that they had enough information to reach the unanimous conclusion that resale price maintenance is not in the public interest. I am quite sure that if they had felt that more information was required before reaching such a conclusion they would not have hesitated to say so.

Nevertheless a joint committee of parliament was established. That committee sat for days. It heard representations from leading organizations who did not agree with the findings of the MacQuarrie committee. Of course, the committee could have sat for a much longer period of time. After reading the evidence presented to the committee I am satisfied, and I think the great majority of members of the house are satisfied, that the MacQuarrie committee's conclusions were well founded and that there is every reason to take immediate action.

In addition to the study given to resale price maintenance by the royal commission on prices, by the MacQuarrie committee and the joint parliamentary committee, we have been discussing this matter in the house for many, many days.

But what is the position of the official opposition in the matter? The truth is that they have no policy. They would like to get credit from those who benefit from resale price maintenance for preventing the passage of the legislation. On the other hand, they attempt to justify their position to the consumers and the general public by asking for more consideration.

Yet the fact of the matter is that the official opposition have spent a good deal of the time during which they might have debated the merits of the legislation talking about not having enough time.

Yesterday the Prime Minister (Mr. St. Laurent) refuted the suggestion that the government is not wholeheartedly behind this legislation. I wish to associate myself most strongly with the words of the Prime Minister, as I am sure every member on this side of the house would want to do. It is my view that the legislation is in the public interest, in the interests of consumers; and because it is in the interests of consumers, it is also in the interest of manufacturers and the distributive trades as well.

An attempt has been made to create the impression that this legislation is detrimental to the business life of Canada. I see no reason to think that that will be the case. The legislation should result in increased competition among distributors. At least it will remove one of the barriers to competition. Is that a good thing? I believe that it is. I do not believe any efficient business need fear competition. I know that many businessmen, large and small, share this view and admire the government's courage in introducing this legislation.

It would have been possible, of course, for the government to shut its eyes to the problems created by the growing practice of resale price maintenance. We could have let well enough alone. But, as I see it, it is the duty of the government to be vigilant where the public interest is concerned. Resale price maintenance may be relatively harmless in some cases; but in other cases, as the Curtis commission, the MacQuarrie committee and the joint parliamentary committee have pointed out, it is a grave and growing abuse.

It is a fact that business prospers when it is free to serve the public to the best of its ability, with as few restrictions as possible, whether imposed by governments or by private arrangements.

On the whole, we know that Canadian business is efficient, and I would like to see it become more efficient, more able to supply Canadian consumers with goods of the highest quality at the lowest possible prices. The evidence we have before us from these various commissions and committees, and the facts that have come to my personal attention, lead me to believe that the practice of resale price maintenance does not lead to consumers obtaining full advantage of competition. That is why I support this legislation.

In my judgment it is not going to lead to any revolutionary change in business practices or in prices. But what change there is will be in the right direction. When prices could or should be reduced, those reductions will come about more readily and more quickly. There will be more flexibility in the system.

We shall, I believe, be better able to meet competition from imported goods. As hon. members are probably aware, there is already a good deal of competition for the Canadian consumer's dollar from producers in other countries. It is logical to believe that there will be more competition if, as we hope, the world recovers from its present difficulties and the imminent threat of war is removed. For that reason alone I think we should support all measures that help to make Canadian business more efficient and better able to hold its own. We cannot afford to become flabby and to rely upon restrictive practices to support the inefficient.

Merchants who find themselves with stocks of goods which are moving too slowly will be able to reduce their prices in order to overcome consumer resistance, without endangering their future sources of supply. Consumers will be able to shop about, to get greater advantage from being able to pay cash, or from finding some merchant who, because of location or volume or for some other reason, is able to offer goods at a lower price.

As several members have pointed out, the effect on the cost of living will probably not be very substantial. It may be that the effect upon the cost of living index itself will be quite modest, partly because the index does not fully reflect reductions below regular prices, but that is not a reason for not going ahead with the legislation. There are many anti-inflationary measures which do not individually and by themselves affect the cost of living very much, but they are worth doing, nevertheless, as part of a general policy of restraining price rises and bringing about price reductions.

Already there have been four amendments to this legislation moved by members of the official opposition. There has been more time consumed with reference to this legislation than has been consumed in connection with a number of other matters which the house thought and which members of the official opposition thought should have taken more time than in fact they did. What I am trying to say is that practically every alternative has been canvassed with reference to this legislation and I feel that the time has arrived —I think the house is of the same opinion— when we should no longer delay its passage. Therefore I move, seconded by the Minister of National Health and Welfare (Mr. Martin):

That the question be now put.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, as I understand it, the motion which has just been moved by the Minister of Transport (Mr. Chevrier) is debatable.

It must have been interesting to the house—

Mr. Abbott: Oh, oh.

Mr. Fleming: If anybody should have less to say about talking again it is the Minister of Finance (Mr. Abbott) whose contributions to the deliberations of the house in recent days have consisted simply of wisecracks which are not very funny.

Mr. Abbott: I never speak unless I have something to say.

Mr. Fleming: It appears that the Minister of Finance has turned over a new leaf in the last minute.

Mr. Speaker: I am sure that it will be easier for hon. members who speak to keep their remarks relevant to the bill if they are not interrupted. It is difficult for them to do so when there are so many interruptions.

Mr. Fleming: Thank you, Mr. Speaker. It must be embarrassing at this particular stage when I think the house expected the Minister of Justice (Mr. Garson) to have his opportunity to conclude the debate by replying, to find another member of the government entering the debate and reading a prepared statement. I think it must have been pretty embarrassing to the Minister of Justice to sit there and, at the point where normally as mover of the motion that this bill be read a second time he would reply, to have to sit back and listen to one of his colleagues make a speech setting out the government line. The statement just read by the Minister of Transport simply followed the government line.

What purpose that statement was intended to serve apparently will be left to the house to guess, but the motion which has been put before the house at least exposes to naked view what has been attempted here by the government in various ways for some days past, that is, to throttle discussion on this bill and to prevent adequate consideration of the important subject involved in the measure.

The motion that the question be now put is designed to stop the discussion of the measure on second reading. This being the government's position, this being the determination of the government, I hope that hon. members who are now called to step into line and vote as the government demands will

have in mind that they are in this way giving endorsement to government action to stop further discussion of one of the most important measures which have confronted the Canadian parliament.

The fact that this measure has already run the course of debate for some time, the fact that it has given rise to a good deal of discussion in the house and outside, the fact that it is a measure which demands and deserves the study of the house will create a lasting indictment of this attempt on the part of the government, or this further stage in the attempt that the government has made in recent days, to throttle discussion of the bill.

The Minister of Transport said something this morning about getting along with this measure, that there had been enough discussion already in the house. If we do not hear anything more from the government than we have heard thus far one question will remain unanswered to the end of time as far as this debate is concerned. That question is this: Why was it necessary that such haste be displayed in this whole undertaking, that the parliamentary committee should not have been permitted to conduct a proper, adequate and thorough investigation? Why was it so urgent that it should have been left to a Liberal majority in that parliamentary committee to deny a hearing to people whose businesses stand in jeopardy in the light of this measure? Why was it so urgent that people should be told, people who had serious interests at stake and serious views to lay before the parliamentary committee, that the committee had no time to hear them? Why was it that organizations representing thousands of retailers in this country were denied access to and hearing by that committee?

Those questions remain unanswered. The government says that it is necessary that the house proceed with haste. I want to say to the Minister of Transport, whose acquaintance with this subject may have been a little recent, that he has a great big question to answer, a question which remained unanswered in his speech this morning.

Here is a practice which has been established in many lines of retail merchandising. It is a practice that has existed in some lines of merchandise since early in the century, and in many other important lines for at least twenty-five years. That practice has existed for that length of time within the knowledge of this government which has been in office since 1935, and yet in all those years this government, with that practice existing right under its nose, did not make the slightest move to stop or interfere with it. But suddenly in the fall of 1951, like a bolt from the blue, without the slightest warning, it becomes a matter of life-and-death urgency. Why?

[Mr. Fleming.]

Let the Minister of Transport tell us why this practice has gone on under the nose of this government since the government came into office in October, 1935, for more than sixteen years, without their moving a finger to interfere with it. Let him tell us why in the fall of 1951 it has become a matter of life-and-death urgency, a matter which will brook no delay, a matter which could not even wait until there had been an adequate study and understanding of the matter in a parliamentary committee appointed for the purpose and then throttled by government decision?

We have been told that the father of the Combines Investigation Act was the late Right Hon. W. L. Mackenzie King. Mr. McGregor was the commissioner under the Combines Investigation Act all the way through the late Mr. King's tenure of office as prime minister—yes, up until the fall of 1949 when he resigned rather than submit to further indignities at the hands of this government and to being a knowing party to a continued breach of the law of this country by the government.

Since this legislation is pictured to us as a matter of life-and-death urgency, I tell the government and every Liberal member in this house who is being whipped into line to vote for second reading of this measure today that by their action they are condemning the government of the late Mr. Mackenzie King. They are condemning what Mr. McGregor has done or failed to do during his long period of service as commissioner under the Combines Investigation Act. That is precisely what they are doing today. The government is proposing a vote of condemnation and censure upon the inaction of the late Mr. Mackenzie King and upon Mr. McGregor's stewardship in office over these long years because nothing was done then, and now whereas we of the official opposition say that this measure should have adequate study, the government's headlong rush now constitutes a blanket condemnation of all that has gone before it. I hope government supporters will weigh that fact well. I hope they will not overlook the fact that today, if they fall into line at the cracking of the government whip, they are giving a vote of condemnation on the government for what it has left undone in the past.

I will tell you why the government was so desperately anxious to make a show of doing something this fall. It was because the cost of living has soared out of sight, and

when the government was not prepared to abandon its outrageous taxation policies, which have been responsible for boosting the cost of living out of sight, it was politically essential that they should drum up some kind of hoax to delude the people of Canada into thinking that something was really being done—and a hoax this measure is. That is the only name it deserves. It was conceived as an attempt to delude the people of Canada, but the cat has been let out of the bag. The Minister of Transport (Mr. Chevrier) has added his contribution this morning to the confession which has already escaped the lips of one or two members of the government, and has indicated that this measure if adopted is not going to have any perceptible effect on the cost of living. That is an undeniable fact, and in itself is an exposure of this hoax that the government is attempting to perpetrate.

The second feature of the hoax is this, and of course it is an example of the technique of one Adolf Hitler, the well known technique that when you are taking a line of action that is designed to play into the hands of one particular group then you get up and deny it. You deny that it is going to have that effect, denounce those who are of that group who are going to be affected, and say that your measure is going to help somebody else. That is what we see taking place in this debate on the part of the orators opposite. Here is a measure which has been shown beyond any doubt whatever to be one that is sought by the big interests in the merchandising field. The biggest of the departmental stores are asking for it. The chains are going to benefit by it. It is the big interests in the merchandising field who are seeking this measure, and it is the little fellows in the merchandising field whose interests are at stake, the life of whose businesses in thousands of cases is in jeopardy and who are pleading for an opportunity to be heard and for fair consideration of their position.

Their position is a very important one. The small retailer in Canada represents as fine a flowering of the system of free enterprise in this country as you will find. Yet the government is placing that small retailer in jeopardy by their insistence on jamming this measure through. This hoax again is exposed as a callous attempt on the part of the government, in league with big interests, to hurt the interests of the little retailer. That is the second feature of this monstrous government hoax. We have not heard from the Minister of Transport this morning one word of concern about the fate of the little retailers. There has not been a suggestion of concern for their plight in face of the threat of the loss leader practice. The minister cannot deny that branded goods, the kind that are subject to the practice of resale price maintenance in Canada today, are the goods that are by their very nature the kind that the big merchandisers like to seize upon for the purpose of loss leaders. After all, sir, what is the use of the retailer selecting for his loss leader some article that is not branded, that is not the subject of national advertising, that has not a known price? The public could not then estimate the alleged reduction in price, but goods that are subject to resale price maintenance are those that naturally lend themselves to use as loss leaders by the big merchandising outlets. That, sir, is what is going to happen, and it does not matter to the government that those who know their own business best are pleading for consideration in face of the threat of the harm that will be done to their businesses by the loss leader practice.

The government has not the time to listen to them. The government is too busy pursuing through this measure its political purposes, its base partisan purposes, even to listen to those who are pleading for the existence of their businesses. Not a word fell from the lips of the minister this morning on the subject of loss leaders. Yesterday we heard the hon. member for Spadina (Mr. Croll) call for an election on this issue. I would remind the house that in the committee the hon. member for Spadina at least was concerned about the loss leader practice. He was at least concerned enough over the threat that the loss leader offers to the business of the small retailer that he—and I give him credit for it—drafted legislation to illegalize the loss leader practice. When the committee considered that draft legislation it apparently arrived at the conclusion—and I think this is a fair summary of the views expressed by those who spoke in the committee on the bill—that it was not workable, that it would be very difficult to enforce, and that it was too rigid. But I do give the hon. member credit for at least recognizing that the loss leader practice is a grave and imminent threat to the small retailer. As far as the government is concerned, however, there is not the slightest inkling on their part of the merest concern over the damage that is going to be done to the small retailer by the vicious and altogether reprehensible practice of loss leaders in merchandising in this country. Therefore we are left with the conclusion that the government is prepared to leave the small retailer to the mercy of the big merchandising outlets applying the loss leader practice.

That possibility, I am sorry to say, did not greatly concern Mr. McGregor because he took an attitude that can be summed up in the phrase that the minister used this morning when he was talking about those whose businesses are placed in jeopardy by this measure. He spoke of them as inefficient retailers. The government apparently considers, as apparently Mr. McGregor thought, that the so-called inefficient retailer is the only man whose interests are placed in jeopardy by this measure. If that is the view of the Minister of Transport, then he had better go back and read the evidence presented to the committee. He had better have some regard for the views put before the committee by responsible leaders of organizations of retailers in various classes of merchandise. They are not inefficient retailers. They are people who will be put in jeopardy by ruthless practices on the part of big retail outlets unless they are permitted to continue to use this mechanism which has grown up as the small merchant's protection. This practice of resale price maintenance has grown up as the protection for the small retailer, and I altogether deny that the retail associations in this country who have raised their hands in a plea for hearing, who have raised their hands in a plea for consideration of the position of jeopardy in which this measure will place them, represent inefficient retailers. Apparently the view of the government is that it is better if a few of these retailers go to the wall. There is not the slightest concern about them. Mr. McGregor's attitude was, let the weak die. It is a fine doctrine to preach, something in the nature of tooth and claw competition.

Mr. Garson: Will the hon. member quote from Mr. McGregor's evidence any selection which will support the statement he has just imputed to him?

Mr. Fleming: I shall be glad to quote the whole of Mr. McGregor's evidence, because every last word of his evidence showed not the slightest concern about the plight of the retailer. His attitude was, let the weak die; they add no strength to our economic system.

Mr. Sinnott: There was no mention of anybody dying. Answer the question.

Mr. Fleming: The whole of his evidence is my quotation from Mr. McGregor. I suppose that within recent days all members have been refreshing their memories of Dickens' "Christmas Carol". You will recall the expression used by Scrooge when a plea was made to him on behalf of the weak and the hungry. His attitude was, let them die; there would be so much less overpopulation.

The view of the government, and it is revealed crystal clear in the very callous way in which the Minister of Transport (Mr. Chevrier) treated this subject this morning, is that there is overpopulation in the retail field, so let the weak die. The government attitude has been revealed in this debate—

An hon. Member: Even my four-year-old daughter understands that.

Mr. Fleming: If my hon. friend's four-year-old daughter can understand the analogy I believe that, given time, he may yet understand it too.

On the part of the government there has not been the slightest inkling of a willingness to give any consideration to the laws which have grown up in the United States to deal with this situation. Is it a mere coincidence that forty-five out of the forty-eight states of the United States have rejected the kind of legislation that this government is seeking to thrust down the throat of parliament? I ask this house to stop and ponder. Can forty-five out of forty-eight states all be wrong? They have been through this because resale price maintenance was banned in the United States many years ago. They tried this experiment that this government is outrageously trying to thrust upon this country without adequate consideration, and in the light of their experience with the situation then arising forty-five out of forty-eight states of the union passed legislation which legalizes this system of resale price maintenance.

It may be the great misfortune of the people of the United States that they have not someone like the Canadian Minister of Justice (Mr. Garson) to tell them what they should do about what he no doubt regards as their mishandling of this situation. It may be the great misfortune of the people of the United States that the ability of the member for Coast-Capilano (Mr. Sinclair) to railroad things through a committee and apply the guillotine to the committee's deliberations is not available to the United States, so that the people could profit from the joint wisdom of these two hon. members. The United States is doing the best it can without the superhuman assistance of the Canadian Minister of Justice and the member for Coast-Capilano, and it has somehow got to the point where forty-five out of the forty-eight states, having had enough of this kind of experiment, have enacted fair trade laws which have the effect of making resale price maintenance a standard practice.

This government can crack the whip until the sounds reverberate in every corner of the Liberal lobbies, in every office occupied by a Liberal member, but they will not change the

fact that the country in which retail merchandising practices and conditions are closer to the conditions obtaining in this country than in any other, even though deprived of the leadership of the Minister of Justice and the member for Coast-Capilano and having experimented with the kind of legislation the government is trying now to thrust through this house, has rejected it in the light of their own experience.

Mr. Coldwell: May I ask the hon. gentleman a question? Can he explain to the house what the legislation is in certain states regarding fair trade?

Mr. Fleming: Yes, if my hon. friend does not know.

Mr. Coldwell: I happen to know, but I do not think the hon. member does.

Mr. Martin: No, I do not think he does.

Mr. Fleming: Oh, I see health and welfare is coming alive at last. It would indeed have been strange, Mr. Speaker, if the Minister of National Health and Welfare (Mr. Martin) had been able to go through this debate without injecting himself into it. I am glad to see some evidence of returning life in the minister, because he comes from the city of Windsor—

Mr. Martin: And there is no better city. Thank you for giving me that chance.

Mr. Fleming: —which is just across the river from Detroit where a good many of his constituents do their shopping. The state of Michigan, as one of the forty-five states, has enacted fair trade laws.

Mr. Martin: On a question of privilege, Mr. Speaker, the citizens of my community do most of their shopping in Canada.

Mr. Fleming: Before the minister puts his long neck out too far on this subject, it would be highly desirable if he were to have some private treaty on this matter with the member for Charlotte (Mr. Stuart). I recall to the governmental embodiment of health and welfare that when the member for Charlotte was dealing with some degree of particularity with the kind of operation—

Some hon. Members: Order.

Mr. Speaker: I believe the hon. member is referring to another debate on another subject.

Mr. Fleming: Mr. Speaker, I was not quoting from *Hansard* on the subject. It is only because of my concern for the Minister of National Health and Welfare, and for his political future, that I do not want to see him go too far on this subject and get at cross purposes with the hon. member for Charlotte who had spoken on the same subject as that on which the Minister of National Health and Welfare has just now indulged himself. But if the Minister of National Health and Welfare is not as well acquainted as are most people with the buying practices along the Windsor-Detroit border, perhaps it may not be unfair to inform him that across the river in the state of Michigan, where a good deal of shopping is done by Canadians as well as by Americans, the practice of resale price maintenance has full legal effect under the fair trade laws of that enlightened state.

For the enlightenment of my friend the hon. member for Rosetown-Biggar (Mr. Coldwell), I should like to tell him that in general, under the fair trade laws enacted by forty-five out of the forty-eight states, the practice is for the manufacturer to set a price and register it with the board established for that purpose by the state in question; and that price, having been approved, becomes the lawful price and can be enforced by the manufacturer and supplier as the price at which every retailer and every outlet sells his product.

Mr. Garson: Will the hon. member permit a question?

Mr. Fleming: I am delighted to do so.

Mr. Garson: From his apparently extensive knowledge of the fair trade laws in Canada, where does he get this curious idea—

An hon. Member: In Canada?

Mr. Garson: In the United States, I should say. Where does he get this curious idea that there is a board in the state of Michigan which approves the price under resale price maintenance? I can assure him that there is no such thing.

Mr. Fleming: The Minister of Justice can save his breath. He can devote his breath to learning something about that subject, because it is high time he did so. I did not say there is a board in the state of Michigan. In reply to the hon. member for Rosetown-Biggar, who asked about the effect of fair trade laws, I said that in general the practice has been to have the price registered publicly by a manufacturer.

Mr. Garson: On a question of privilege—

Mr. Fleming: There is no question of privilege involved in this, Mr. Speaker, and I decline to be pushed aside by the Minister of Justice.

Mr. Garson: As soon as my hon. friend has taken his seat, I will expose his ignorance on the subject.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Fleming: The Minister of Justice will be quite busy enough, I think, Mr. Speaker, between now and the time this debate closes —I think he is going to be extremely busy trying to cover up his lamentable exposure of ignorance on this subject. For two hours and forty minutes last week we listened to a marathon exposure of his lamentable ignorance on a subject upon which he, as a responsible minister introducing a bill, should have been well informed before he started. That is another fine sample of the way in which the government is preventing others from getting information on this subject when they have earnestly sought it with a view to arriving at intelligent decisions.

Mr. Coldwell: Will the hon. member permit one question which is really for the purpose of getting information?

Mr. Fleming: Yes.

Mr. Coldwell: How is the price arrived at which the manufacturer sets for the retailers?

An hon. Member: Where?

Mr. Coldwell: How is the price arrived at in the United States, under the fair trade practices?

Mr. Fleming: I expect that in every case the manufacturer will have due regard for the cost of the article, for what is a fair profit, for the ability of the people to pay and for what they are willing to pay for his product.

Mr. Coldwell: Is it not a fact that the manufacturer sets the price and that, if he can get one retailer to agree to it, that price is applicable to all retail business in that state?

Mr. Fleming: Mr. Speaker, I could not imagine any greater act of folly on the part of any manufacturer than to set the price of his article or product at an amount which the public will not pay. What we have been told in the evidence before the committee, so far as we were allowed to get any evidence, was that the manufacturer is not foolish enough to set the price of his article at a figure that the public will not pay. He is not going to price himself out of his market. That is the protection of the public.

In this measure the government is not protecting the interests of the consumer. On the contrary, the government is exposing the consumer of this country to the grave danger of being made the fair game of the big merchandising outlets and big merchandising interests which will, with the extinction of more and more of the small retailers, acquire a greater and greater degree of monopoly control of merchandising in Canada. That is the danger that has confronted the government in this matter; and that is the danger that the government chooses to ignore in favour of pursuing partisan purposes with regard to this measure. It is not simply a matter of trying to keep small retailers alive for the sake of the small retailers alone, Mr. Speaker. The consumer of this country has no greater assurance of fair play and proper trade practices than in the existence of a healthy retail trade flourishing through a multiplicity of small retail outlets. If you jeopardize the existence of those small retail outlets, you are placing in pawn not simply the life of the business of the small retailer but as well the fundamental interests of the consumer in this country. Many hon. members of this house who are being called upon today to be whipped into line and to do the government's bidding in this debate and in the vote to follow know that; and many of them have told us so privately around these corridors in recent days. The question is not being asked by members of the official opposition alone: Why this unseemly haste? That question has been asked, I may tell you, Mr. Speaker, by many Liberal members in this house.

Mr. Sinnott: Name them.

Mr. Fleming: I am not going to embarrass them.

Some hon. Members: Oh, oh.

Mr. Fleming: It would be a serious embarrassment to many of them. I am not going to embarrass them. They are going to be embarrassed enough when this vote comes. But that is the fact. That question, why this undue haste, this unseemly haste, this indecent haste, remains unanswered. It remains unanswered because the government is prepared to sacrifice the interests of the small retail outlets in this country, and is prepared to sacrifice the long-term and fundamental interests of the consumers of this country in favour of jamming through this house a half-baked, ill-considered, unjust measure to further its own partisan interests.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, we have heard a great deal about the fair trade practice in the United States, but I think that no one has yet explained it except the Minister of Justice (Mr. Garson) who did so to some extent last night. The reason that we did not support the amendment of my hon. friends was that we had been going into the matter of this practice in the United States. As was stated last night by the Minister of Justice, the fact of the matter is that the first so-called fair trade act was placed on the statute books in the United

States by the state of California. That act was found to be unsatisfactory to the manufacturers and two years later, in 1933, there was added to that legislation a clause which made the resale price agreed upon by a manufacturer and a single retailer binding upon all retailers upon notice. That was the crux of the legislation which was copied in forty-five of the forty-eight states during the period of the depression when things were difficult indeed for retailers everywhere. As the minister said last night, the latest Californian legislation was so hastily copied that even typographical errors and errors in punctuation in the Californian legislation were copied in the acts put on the statute books in various states. In a recent case in Florida, when this matter was under challenge, the court pointed out that the power to fix prices under fair trade acts is vested in private persons; that no right to review the fairness of the price is provided for; and that no test or yardstick of fairness is defined. It has also been pointed out that the first fair trade acts were upheld in the courts in an atmosphere of crisis and emergency which no longer exists. The inference of course is that today different conclusions may be reached.

Mr. Diefenbaker: What is the hon. gentleman reading from?

Mr. Coldwell: I understand that today the legislation is practically defunct in some forty-two of the forty-five states that enacted the legislation.

Mr. Fleming: No evidence to that effect.

Mr. Coldwell: The hon. member says that there is no evidence to that effect; but the hon. gentleman gave no understanding to the house that he knew anything about the fair trade legislation and practices in the United States.

Mr. Fleming: Will the hon. member permit a question? Will he indicate what he has just been reading from?

Mr. Coldwell: Yes; I referred to an analysis made in two articles in the New York *Nation.*

Mr. Fleming: By whom?

Mr. Coldwell: On the dates of June 2 and May 19; two articles in a paper which has the reputation of—

Mr. Fleming: Of being socialist.

Mr. Coldwell:—authoritative analysis of all kinds of problems Whether one agrees with the New York *Nation* editorially or not, the articles that are published in that paper are, as a rule, very carefully prepared and authentic.

Mr. Fleming: Socialistic propaganda.

Mr. Noseworthy: What is wrong with that?

Mr. Coldwell: As a matter of fact, whenever something is disliked it is said to be socialistic propaganda, and yet I venture to say that a great deal of the legislation proposed by Mr. Bennett in 1935 was more socialistic than the bill which is now under discussion in this house. Incidentally, I have always given Mr. Bennett credit for the last-minute conversion to intelligent ideas that he expressed just before he was defeated in 1935.

Mr. Macdonnell (Greenwood): This is the first time your lot have ever given him credit for anything.

Mr. Coldwell: I want to put my suggestion once more before the house. If we are going to protect the consumers, the manufacturers and the retailers there should be a board which can hold public hearings, and to which an aggrieved person, whether retailer, consumer or manufacturer may apply to get a fair deal. That is what I believe should be done. However, it has been shown conclusively, I think, in the evidence before the committee which sat, 800 pages or more of the evidence, that the particular form of manufacturers' control of prices which now exists is against the public interest. For that reason, although our amendment was defeated, we shall support the bill when it comes to a vote in the house.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, now that the government has seen fit to apply the closure—

Mr. Sinnott: Tell the truth.

Mr. Fulton:—although the Prime Minister—

Mr. Richard (Gloucester): Go on; take all the time you need.

Mr. Fulton: Now that the government has seen fit to apply the closure although the Prime Minister said yesterday that they had decided not to, we can see just to what extent the government really desires to prevent the evidence in this matter from coming before the people. The hon. member for Rosetown-Biggar (Mr. Coldwell) has just said that in the 800 odd pages of evidence which embodied the committee's proceedings it became abundantly clear that resale price maintenance harmed the consumer. I regret that the hon. member for Rosetown-Biggar has not closely read the evidence, because the whole objection to the committee's proceedings is that there is at no point any evidence from which the conclusion can be drawn that the practice of resale price maintenance harms the consumer. Actually, when we asked that we be allowed the opportunity to obtain such

evidence, if evidence existed, the guillotine was applied and the committee chairman choked off all attempts to call witnesses who might be able to give us that evidence. He also choked off all attempts to obtain evidence as to the comparative profit margins for price-maintained and non-maintained goods, and as to comparative prices to the consumer of price maintained goods and non-maintained goods. Therefore the position is that we have no evidence. We have no evidence that the practice of resale price maintenance is harmful to the consumer. I should like at any time to be furnished by the hon. member for Rosetown-Biggar, or by any other hon. member, with evidence to that effect, because—

Mr. Coldwell: What about the MacQuarrie report and Mr. McGregor's evidence?

Mr. Fulton: They were not evidence, only statements of opinion. One would have thought that, if there were such evidence, the government would have been willing and anxious to bring it forward. The only conclusion to which one can come from their failure to do so, and from their obvious and successful desire to choke off discussion and to prevent us from getting such evidence, is that actually the evidence, if it were produced, would tend the other way.

There is, however, ample evidence to the effect that the small retailer will be hurt if the practice of resale price maintenance is eliminated. In the light of that evidence, we are left with the question, why is the government in such a hurry to hurt the small retailer? Why are they in such a hurry to remove the only protection which the small retailer has against the power of the big interests, the monopolies and the large chain stores, and leave him at the mercy of cut-throat competition? No satisfactory answer to that question has yet been given; yet the Prime Minister, in taking part in this debate yesterday, said that the government was not willing to leave this matter over for any further or fuller investigation; that they were going to remove the protection from the small retailer and leave him to stand on his own feet. It is a callous, ill-considered and ill-advised course to follow, with much harm to be done to independent Canadian business.

In dealing with this matter I believe it is important to remember that the evidence we have does not support, but indeed directly contradicts, the propaganda efforts which the government have been making to convince the Canadian people that it is the big interests that want this practice of resale price maintenance, and particularly the propaganda put forward by the government to the effect that it is the manufacturer who wants resale price maintenance. Nothing can be further from the truth; nothing can be more directly in conflict with the evidence which we have. The evidence which we had in the committee on this point showed most clearly that it is not at the instance of the manufacturer that resale price maintenance prevails, but that the practice was worked out and applied by and at the request of the small retailers who found it essential as a measure to protect them from the unfair types of competition being indulged in by the big interests. Once again I refer particularly to the evidence of Mr. Fred McGregor, who answered that question perhaps more clearly and with less hesitation than he answered any other questions in his whole evidence—and his answers to questions were on the whole not given in a hesitant manner; but of all the questions which were asked he was perhaps most definite in his reply to the questions as to who wants this most, who benefits most from it, the manufacturer or the retailer? His answer was, "unquestionably the retailer".

It is also important to bear in mind that there is nothing before this house, as there was nothing before the committee, on which we would be justified in basing the conclusion that the removal of resale price maintenance will benefit the consumer with respect to prices. Indeed, there is much before us to justify the conclusion that it will harm the consumer in the long run both generally and with respect to prices, and if for no other reason than that it will result in the further concentration of power and control over the distributive trades in the hands of a few huge concerns, a tendency from which we already suffer in Canada to a degree greater than in any comparable country. There can be no question but that the result of that process, in the long run, will be to damage the interests of the consumer. That has always been the outcome when giant monopolies and powerful concerns gain almost exclusive control of any field of enterprise so vital to the welfare of the people.

That is the outcome to which the government is deliberately exposing the consumers of Canada, if it pushes through this bill without offering any alternative protection to the retailer. But it is not only from the harmful effects of the increased power given to the giant concerns that the consumer will suffer. There is also an absolute lack of evidence that the consumer will benefit one iota from reduced prices as a result of the passage of the bill.

In that connection one can rely upon the evidence of Mr. McGregor who stated that in his opinion price maintenance was objectionable only because it is, as he described it, an undue restriction of competition—and not at all because of any effect it may have on

prices. In other words his opposition to the practice was based entirely upon his theory as to the forms of competition which should prevail in this country.

He was a knowledgeable witness; but if the evidence that Mr. McGregor's opposition to it was based entirely upon theory and not at all upon practical effects is not sufficient, then one need only refer to the evidence of the Prime Minister's position, as he stated it in the house yesterday, as found at page 2385 of *Hansard*:

> I still do not think it will have very much effect on the cost of living index.

And so we find that the legislation is being rushed through on the basis of theory, on the theory of Mr. Fred McGregor and of the MacQuarrie committee, that the practice of resale price maintenance is an undue restriction of competition. For the purpose of serving these theoretical ideas, ideas that apparently are held by the government, the protection enjoyed by the retailer is to be removed, and the weak are to be allowed to die. For that is exactly the whole purport of Mr. McGregor's theory.

He said, "If there are retailers who will suffer as a result of the elimination of the practice of resale price maintenance—well, that is too bad. They probably were not efficient, anyway. And if they were not very efficient, then the community can get along without them, so let them be eliminated. Let them be extinguished. Let them die. The country can do without them." That is a most callous and a most unjustified attitude to take toward such a large and such a vital group in our country, one which has made so great a contribution to the strength of our economy.

It is difficult to avoid using strong words and harsh language when describing that outlook on the part of a theorist; but it is much more difficult to avoid using strong language to describe the situation which we now find, when that same point of view is expressed, not on the part of a theorist but on the part of this government, responsible as it is for the administration of affairs in this nation.

But that callous indifference to the fate of the small retailer is exactly the attitude reflected by the Minister of Justice (Mr. Garson); that is exactly the attitude reflected in this bill—that without any thought of consequence to the retailer, and without any recognition that the retailer has any interests to be preserved, this legislation, which is designed only to fulfil somebody's idea of a theory of free competition, should be rushed through, even if it eliminates the small retailer.

They think the situation can be satisfied by the repetition of an ominous phrase—"Let the weak die; they probably were not rendering any service to the community, anyway."

The evidence establishes that the small retailer needs the protection of resale price maintenance. At the present time it is his only protection against the powerful big interests. And let there be no mistake about it: the big interests are just as powerful and big in this day, just as crushing today, as they have been at any time in the history of this country. And the only protection retailers have built up for themselves, without any help from the government, is this method of doing business.

It is all nonsense to say that they wish it to be kept in private hands. If the government would study this matter, as we have urged it to do, and came forward with some alternative method by which the small retailer could be protected, he would be perfectly willing and indeed happy to give up his own system of protection, one which he has worked out and put into effect by himself.

But the government has not done that. They have refused to allow time for study and consideration which would be necessary to work out some alternative method. In the absence of that study, in the absence of that alternative protection, it can only be said that this legislation is being rushed through in an attitude of callous indifference to the welfare and the needs of the small retailer, and of the consuming public who will eventually, and before too long, as a result of this measure, be at the mercy of big, powerful monopolies, the chain and departmental stores.

The proof of what I am saying is found in the statement of the Prime Minister yesterday when, as set out at page 2385, he was attempting to justify the government's willingness to rush the small retailers of Canada into oblivion, and leave with a few big giants of industry the control of the distribution of goods in this country. He said:

> I made the statement the other day, and I repeat it, that if as a result of this legislation or as a result of any other condition there develops a contrary abuse, the government will consider what recommendation it should make to parliament to deal with that contrary abuse.

He was referring to the possibility of the loss-leader practice. Well, I would ask the Prime Minister or, since he is not in his seat, the Minister of Justice, just how long he thinks it will take to consider and work out that recommendation? And at what stage

will the government decide that it has become necessary to work out some alternative form of protection? How many retailers will have to go to the wall? How many bankruptcies will have to take place in Canada? How many small concerns will have to be taken over by the giants of the distributive trades before the government decides the time has come at which they must give consideration to some alternative form of protection for the small retailer? Will it be one, or twenty-one, or a hundred or five hundred? How many thousands of dollars will have to be lost by small retailers before the government decides it is time to act?

Mr. Garson: I might tell my hon. friend that I dealt with that yesterday, when he was not here. I would be glad to tell him privately.

Mr. Fulton: The minister says he dealt with that yesterday. I shall not attempt to answer him in kind; I shall simply say that I read his speech, and I say he made no adequate answer whatever to the question.

Mr. Drew: He did not answer.

Mr. Fulton: I find no passage in the minister's speech in which he attempted to deal with that particular question. And if the retailers are to be left with that answer, then they must realize that there is an absolute certainty that they will find no protection whatsoever, and that the government does not intend to act to protect them against big business. Because there is no indication in the minister's speech that he has even remotely considered the problem, and that he has in any way shown that he is prepared really to come to grips with the situation that will confront the retailers.

What then is the retailer promised? What is the consumer promised as a protection against finding the retail and distributive trades of Canada in the hands of a few giant concerns? What is promised? What is the outlook which concerns, not only the distributive trades of Canada, not only the small independent businesses but also the consumer as regards protection against the abuses of loss-leader practices and other forms of unfair competition? It is the same sort of protection which the patient is promised—that he shall have an autopsy if his illness should prove fatal under the doctor's care. The retail merchants and small independent businessmen of Canada can get what comfort they can from the knowledge that after they have been driven to the wall, after they have gone bankrupt, after they have been killed off as a result of this concentration of economic power in the hands of a few giant concerns they will be given a post mortem to find out exactly what it was from which they have died.

Once more, when we have come to the point at which it would have been thought the government would come forward with some concrete evidence as to the real effects of price maintenance, when one would have expected that they would give some real reason and justification for their decision to push this bill through, what do we find? We find that instead of following that logical course the government is resorting to this closure embodied in the motion of the Minister of Transport (Mr. Chevrier) presented to the house this morning.

When confronted with the efforts to force from the government some statement of facts, some concrete evidence which would justify their proposed course, they resort to closure. We are left only with the conclusion —to which this whole debate, the government's whole attitude forces us—namely, that the government itself realizes that it has proposed a course which plays into the hands of the big business concerns of this country and which is against the interests of the small retailer and the consumer. Among other efforts to prevent the consuming public of Canada realizing these facts, to prevent these facts from being brought out in debate, they are resorting now to closure so as to throttle discussion.

Never let it be forgotten that there is only one group, in so far as those who are affected by this legislation are concerned, who want it, and that is the biggest interests in the retail field in Canada. It is wanted by the biggest chain department store. Without exception the small retailer, the independent man who has struggled over the years to set up his enterprise and is struggling to keep it going, is opposed to this legislation.

When we ask the government to let us have some facts, instead of being content with theories, theories which doom the small man to extinction, when we ask for some facts upon which they can justify their claim that this legislation will benefit the consumer, we are met with closure. We are met with closure for one reason and one reason only. The government has no facts upon which to support its claim that the consumer will benefit. The government knows that if this discussion is allowed to continue and an effort is made to get at the merits of the legislation it will become quite apparent to all Canadians that far from the consumer benefiting, the consumer will suffer in the long run and that the only group, the only interests, which will benefit will be the government's friends in big business. Therefore

they are now seeking to end this discussion and prevent that fact from becoming apparent by moving closure in the motion of the Minister of Transport.

I regret that the government should see fit to resort to these measures, but I think it becomes apparent to you, Mr. Speaker, in your position of impartiality, as it will become obvious to the public of Canada, that this government has lost all sight of its responsibility to the public of Canada, of its responsibility to preserve the independence of Canadian business, and is following tactics which are directly in line with the interests of monopolies and big business in Canada.

Mr. J. W. Noseworthy (York South): Mr. Speaker, in spite of all that has been said in this house and the language that has been used on both sides of the chamber, I suggest that every group, in so far as this bill is concerned, has one thought in mind—how best to curb the growth of monopolies in this country. I think that that is the concern of the government as well as of the opposition groups. We differ in the method to be employed to restrict the growth of these monopolies.

My concern is whether in supporting this legislation we are not inadvertently contributing to the growth of that which we all want to destroy, the monopolies. I think that that is the concern of the opposition groups. I am sure that it is the concern of many Liberals in the house whether this legislation will in and of itself contribute to the growth of one form of monopoly in this country while it seeks to curb the power of another.

The Prime Minister (Mr. St. Laurent) has expressed that concern and has assured us that once this legislation is in effect, if it is discovered that the monopolies in the retail and distributing branches of business are undertaking price wars and are operating to the disadvantage of the small dealers, amendments will be introduced or new legislation brought forward to deal with that. The Minister of Justice (Mr. Garson) has assured us and the hon. member for Spadina (Mr. Croll) yesterday held out serious threats as to what would happen to big business in the distributing field if they undertook any such practices.

I suggest that that is just not enough. I think that this house is entitled to know from the government much more than we have yet learned as to just what the government proposes to do or how they propose to meet that difficulty should it arise. I think there is a real danger and I think the government realizes there is a real danger. They have no legislation to cope with it. I suggest that that legislation could be provided without unduly holding up this bill.

I am quite confident that the government is capable, if it wants to do so, of bringing in an amendment to this legislation or proposing alternative legislation which would meet the difficulty which they themselves have in mind without waiting until the damage had been done. It would seem to me to be much more businesslike to meet that problem now than to wait until the damage has been done and then bring before the house legislation to remedy something which in many cases will be beyond remedy.

Alternatives have been suggested and have been turned down by the house. Our alternative was cried down by the Conservative party as being socialistic. I want to put on the record the recommendation made to the committee in the brief of the Drug Trading Company. In the introduction to their brief they say that the company is operated by 1,535 retail druggists throughout Canada. They operate a voluntary chain of 450 independently owned retail drug stores. Quite obviously they are not a socialistic organization. Their recommendation as an alternative to this legislation is as follows:

> In lieu of this, we urge that the Combines Investigation Act be revised so that, operating under such act, a board be set up with wide powers to investigate complaints that instances of resale price maintenance are an offence against the public interest; such a board to include representatives of the consuming public, the manufacturing, wholesale and retail trades and the government; and where it becomes evident to such a board that an instance of resale price maintenance is contrary to the public interest, the board shall have the power to invoke penalties against the offending parties and to require that such price maintenance arrangements be modified so as to eliminate the offence.

They spell out in their brief the composition of the board which they have in mind and the powers of the board. I want to say that our suggestion, which was in line with theirs, asked for nothing more socialistic than their recommendation, a board representing the consuming public as well as manufacturers, retailers and the government, with power to see that where price maintenance is in the interests of the Canadian public it should be operated under a board that is subject to public control. It should be a board set up by the government with a government representative sitting side by side with manufacturers', retailers' and consumers' representatives. The leader of the opposition (Mr. Drew) referred to such a board as we suggested as a board of bureaucrats. The leader of the opposition is very fond of the term "bureaucrats".

Mr. Drew: Mr. Speaker, I must ask the hon. member to refer to the place in *Hansard* where that is reported, and I ask him to do so before he repeats that statement.

Mr. Noseworthy: If it was not in those words, when he questioned us as to the type of board and the power that we would confer upon it, his statement was that he did not want a board of bureaucrats telling businessmen what to do. He wanted a board made up of men who knew their business.

Mr. Drew: I do not want to interrupt, but since the hon. member has *Hansard* I suggest that if he is going to say what I said he follow the very simple device of reading what I said from *Hansard.*

Mr. Noseworthy: My point is that the type of board which we were suggesting was not intended to be any more bureaucratic than the board recommended by the Drug Trading Company, and which the opposition did not see fit to support. There are one or two questions I should like to put on *Hansard* which I think the Minister of Justice (Mr. Garson) should answer when we get to the committee stage on the bill. I should like him to tell us how this legislation will affect those manufacturers who maintain their own retail outlets. Are they to be left free to fix the prices of their goods sold through their own retail outlets while all other manufacturers will find themselves committing an offence if they do so? What will be the effect upon those manufacturers who maintain exclusive agencies throughout the country? Is a manufacturer who has an exclusive agency in a town to be permitted under this legislation to fix the price of his article? Is he to be in the same position as any other manufacturer?

The public have been asking what effect this legislation will have upon the automobile manufacturers. Ford and General Motors follow the practice of fixing the retail price of their products. Are they to be permitted to continue to do so, or will every dealer be entirely free to sell a new car at whatever price he chooses to sell it? I should like the same answer as far as the gas and oil companies are concerned. By some device, apparently without infringing the terms of the Combines Investigation Act, the gas companies manage to have a fairly uniform price for the same grade of gas everywhere. Where will they stand under this new legislation? Where will the newspapers stand? Will a newspaper have the right to tell a dealer that he must sell the *Star Weekly,* for instance, for ten cents and the *Globe and Mail* for five cents, or is the dealer to be free to use newspapers as loss leaders if he wants to and sell them to the public at any price he wishes?

Then there is one other group that is very much concerned, the Drug Trading Company, to which I have referred. They operate under the name "I.D.A.", or "Independent Druggists Alliance" and have over 1,500 drug stores. They co-operate in their advertising. I have here one of their advertisements taken from a Toronto paper, and they tell me it applies to about 400 stores. The same articles are sold in all these stores. I am told that a group of retailers who are appointed for the purpose by the association are called in every Monday morning to decide on the prices which will be advertised for a whole host of articles. The I.G.A. or Independent Grocers Alliance, follows the same practice. A number of grocery chains follow the same practice. Is such advertising to be illegal under this legislation? If the minister will answer some of these questions when he gets an opportunity to speak I think it will clarify the situation.

Mr. Garson: May I ask my hon. friend a question which I think has some bearing upon what the answer to his question will be. My hon. friend says that these gentlemen get together and set the prices that are put in the advertisement. Does he mean that they literally set the prices or that they merely agree upon articles that are to appear in the advertisement, the prices of which are determined by some other method?

Mr. Noseworthy: They agree upon the price which is to be advertised for any given article. I understand the practice is for stores to sell the goods at the advertised price, but there is no compulsion upon them to do so. Occasionally there are stores who undersell and some who oversell the advertised price.

Mr. Garson: In a word, is the agreement to which the hon. member refers an agreement as to the advertisement or an agreement as to the price?

Mr. Noseworthy: It is an agreement as to the price which shall be quoted in the advertisement.

Mr. Rodney Adamson (York West): Mr. Speaker, I think I can finish what I have to say before one o'clock. First of all I should like to say that I agree with a great deal of what the hon. member for York South (Mr. Noseworthy) has said. However, when we suggested that a fair trade board be set up, it was not our contention that it should deviate in any great measure from the sort of suggestion that was made by the drug trade. I believe some measure of regulation

has been found to be beneficial. I was certainly attempting to show that when I spoke on the subject, and I am glad the hon. member agrees with those of us who take the view that this is an important economic rather than political subject. I hope every member in this house is seriously trying to find a way to overcome the serious inflation which is hitting the country today.

If this bill in any way assisted in overcoming this inflation, I would most certainly be in favour of it. We have to judge the thing, however, on the basis of the greatest good for the greatest number. On one side you put the possible advantages to the consumer, on the other the inherent dangers to the retailer. If there are price wars and the consumer is in a position to purchase goods subject to drastic price cutting, there will undoubtedly be some bargains as a result of this legislation. On the other hand the history of price wars, as we have seen them, shows that these bargains will be rather illusory. Once the pressure is off, and the pressure must come off ultimately, prices will return to their former level or, if the recent price war in New York is any criterion, to a higher level. On the other side there are the small retailers, druggists and specialty shops. They evidenced a genuine fear of what is likely to happen to them through the creation of the more powerful monopolistic retail colossi which this country seems to breed. Their fear is genuine, their arguments impressive.

We have these two things to balance. The one group expresses a genuine fear, and for the other group there is a nebulous possibility of some benefit. They may be able to purchase brand name objects a great deal cheaper through the loss-leader device. In my view the danger of the harm to the small merchant outweighs the temporary and I fear rather illusory benefit to the few consumers who will be able to buy brand name products for a time at a great saving. I shall, therefore, oppose the bill as I have done in the past.

In conclusion let me say that serious measures will have to be taken to stop inflation. So far we have just toyed with the subject. We believe, and I believe a very large section of the Canadian people still believe, that they can profit by inflation. Apparently the government is still of that mind, because they believe that inflation is—certainly up to now beneficial and it has been and I think unfortunately still is—politically popular. Measures to stop inflation are always unpopular. The longer this country goes on without taking those measures, the more drastic and more unpopular they will be, when our economic salvation demands immediate action. When I say that, Mr. Speaker, I only hope that the government will see the real danger signals ahead before it is too late, and not bring in measures such as this which will have practically no effect in curbing the monstrous evil that is inflation. Time is short, terribly short.

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

YEAS

Messrs:

Abbott
Anderson
Arsenault
Bater
Benidickson
Beyerstein
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bradette
Breithaupt
Breton
Brown (Essex West)
Bruneau
Bryce
Cameron
Cannon
Cauchon
Cavers
Chevrier
Clark
Cleaver
Coldwell
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Cournoyer
Croll
Darroch
Dechene
Demers
Dion
Dumas
Eyre
Ferrie
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gingras
Gingues
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Herridge
Hetland
Hosking
Huffman
James
Jeffery
Jones
Jutras
Kickham
Kirk (Digby-Yarmouth)
Knight
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Leduc
Lefrançois
Little
Low
Macdonald (Edmonton East)
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
Major
Maltais
Martin
Masse
Monette
Murray (Cariboo)
Mutch
Nadon
Nixon
Parent
Pearson
Pinard
Proudfoot
Prudham
Richard (Gloucester)
Richard (St. Maurice-Lafleche)
Riley
Rinfret
Roberge
Robertson
Robinson
Rochefort
Rooney

St. Laurent
Sinclair
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Studer
Tremblay
Valois
Ward
Warren
Weaver
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood
Wright—135.

NAYS

Messrs:

Adamson
Aylesworth
Blair
Brooks
Cardiff
Casselman
Catherwood
Charlton
Churchill
Courtemanche
Coyle
Diefenbaker
Dinsdale
Drew
Fairclough, Mrs.
Fleming
Fraser
Fulton
Gibson
Graydon
Hees
Hodgson
Lennard
Macdonnell (Greenwood)
McLure
Murphy
Nowlan
Ross (Souris)
Tustin
White (Middlesex East)
—30.

Mr. Lesage: I was paired with the hon. member for Three Rivers (Mr. Balcer). Had I voted, I would have voted for the motion.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons). Had I voted, I would have voted against the motion.

Mr. Speaker: The question is now on second reading.

Mr. Drew: One o'clock.

Mr. Speaker: Does the house wish me to put the question?

Mr. Drew: One o'clock.

Mr. Speaker: Order. It is now 1.20 p.m. I will therefore leave the chair and put the question for second reading immediately upon returning to the chair. Normally, we would reassemble at two o'clock. It is now 1.20 p.m. Would it meet with the wishes of the house if we reassembled at 2.20 p.m.

Some hon. Members: Agreed.

Some hon. Members: Two o'clock.

Mr. Speaker: I would like to know what the wishes of the house are.

Mr. Fournier (Maisonneuve-Rosemont): 1.30 p.m.

Mr. Speaker: I cannot hear what was said. Therefore I will leave the chair and the house will reassemble at two o'clock.

At 1.20 p.m. the house took recess.

The house resumed at two o'clock.

Mr. Speaker: Mr. Garson moves, seconded by Mr. Fournier (Hull), that this bill, entitled an act to amend the Combines Investigation Act, be now read the second time. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Yea.

Some hon. Members: Nay.

An hon. Member: On division.

Mr. Drew: No.

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Abbott
Anderson
Arsenault
Bater
Benidickson
Bertrand
Beyerstein
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bradette
Breithaupt
Breton
Brown (Essex West)
Bryce
Cameron
Cauchon
Cavers
Chevrier
Clark
Cleaver
Coldwell
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Cournoyer
Croll
Darroch
Demers
Denis
Dion
Dumas
Eyre
Ferrie
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gingras
Gingues
Gour (Russell)
Gregg
Harris (Grey-Bruce
Harrison
Healy
Hellyer
Helme
Henderson
Henry
Herridge
Hetland
Hosking
Huffman
James
Jeffery
Jones
Jutras
Kickham
Kirk (Digby-Yarmouth)
Knight
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Leduc
Lefrançois
Little
Low
Macdonald (Edmonton East)
MacNaught
Macnaughton
McCann
McCubbin
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
Major
Maltais
Martin
Masse
Monette
Murray (Cariboo)
Mutch
Nadon
Nixon
Pearson

Picard	Smith (York North)
Pinard	Stuart (Charlotte)
Proudfoot	Studer
Prudham	Tremblay
Richard (Gloucester)	Valois
Richard (St. Maurice-Lafleche)	Ward
Riley	Warren
Rinfret	Weaver
Roberge	Weir
Robertson	Welbourn
Robinson	Whiteside
Rochefort	Whitman
Rooney	Winkler
St. Laurent	Winters
Sinclair	Wood
Sinnott	Wright—132.

NAYS

Messrs:

Adamson	Fraser
Aylesworth	Fulton
Blair	Gibson
Brooks	Graydon
Cardiff	Hees
Casselman	Hodgson
Catherwood	Lennard
Charlton	Macdonnell (Greenwood)
Churchill	McLure
Courtemanche	Murphy
Coyle	Nowlan
Diefenbaker	Ross (Souris)
Dinsdale	Rowe
Drew	Tustin
Fairclough, Mrs.	White (Middlesex East)
Fleming	—31.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*"Dealer" defined.*

Mr. Fleming: Section 1 of the bill proposes to write a new section 37A into the Combines Investigation Act. There are some difficulties as to its meaning that at once confront anyone reading this proposed section 37A. I draw your attention, first, to the fact that subsection 1 defines the word "dealer" in terms broad enough to include a manufacturer, a supplier or a vendor of an article. Subsection 2 purports to prohibit any act on the part of a dealer by threat, promise or agreement to induce or attempt to require any person to resell an article at a specified price under the named conditions. Subsection 3 purports to make it illegal for any dealer to refuse to sell or supply an article to any other person because that other person has refused to sell the article at prices as specified under the conditions named or has actually resold or offered for sale articles at prices less than those specified by the dealer.

I point out at once that there is nothing in the section dealing with the retailer. This section does not purport to deal with the act of the retailer in selling goods; it concerns itself only with the manufacturer or supplier of the goods who at an earlier stage has dealt with the retailer.

Some very serious questions are being asked throughout the merchandising trades of this country as to the effect of this section on a number of quite wholesome and natural commercial practices. At the present time many manufacturers and suppliers are getting out their seasonal catalogues for use in the new year. Many firms are supplying their representatives with these catalogues for their trips commencing with the beginning of the new year. This raises a very lively and urgent question. What is going to be the effect of this section on the current practice of naming prices in catalogues? Very often prices are suggested by the manufacturer or by the supplier who may be a wholesaler or a general jobber. He puts out a catalogue with retail prices named in it. These prices very often indicate what are considered in the view of the manufacturer, wholesaler or supplier to be reasonable prices for resale. It is not necessarily a case where any agreement is involved or any threat or inducement, but I am informed it is quite a general practice in the case of the printing of such catalogues. It seems to me that this becomes a pressing and urgent question and one of far-reaching importance affecting many of the merchandising trades in this country.

There is another question that has an important bearing. Probably it affects the pharmaceutical industry more than most of the others concerned. It is the practice, in the larger centres at any rate, for a good many of those operating pharmaceutical outlets, to unite in one large advertisement of articles that are under the system of resale price maintenance. If the system of resale price maintenance is to be made illegal now, what is to become of the practice, and a perfectly natural and quite proper practice it is, of pharmacists uniting in the publishing at their joint expense of large advertisements that would be beyond the means of any one of them? At the present time this is the only means that the smaller pharmaceutical outlets have for holding or trying to hold their own with the large outlets.

It is a very simple matter, as you will realize, Mr. Chairman, for the large departmental store or chain to take a whole page in a large city journal for the advertising of their sales or whatever it is in particular that they are featuring in the day's advertisement, but your small retailer cannot afford to go in for advertising on a scale of that kind. Therefore those interested in the same type of merchandise have in many cases made a practice of sharing the expensive advertisements of articles that they are

all engaged in selling. Many of them are asking quite seriously and with a good deal of concern what is now to become of that practice. If it becomes illegal for them to join together in advertising articles for sale, the articles being sold at the same price in all their stores under the system of resale price maintenance, they are simply not going to be able to hold their own in the field of advertising.

Advertising is expensive, and small retailers cannot hope to compete when it comes to advertising. These are just two illustrations out of many that one could choose indicating the type of question that is very naturally and seriously troubling many retailers in this country. I have no doubt that this new section, if enacted, is going to be the subject of not a little judicial construction because of the complexity of the language used and the no little difficulty that one can see at a glance in its interpretation. These two instances I have singled out especially are troubling a great many people at the present time. I hope some statement can be made on behalf of the government to clarify the situation and to set clear limits on the effect of the proposed new section 37A, because if the offence to be created here is not defined in the clearest possible terms, and if its scope is not to be restricted so as not to include quite proper practices, then even more harm is going to be done than many of us see likely to follow from the bill.

Mr. Garson: I think perhaps I should say a few words in reply to my hon. friend's questions. With regard to his first question, namely whether under the proposed legislation a manufacturer can name what he regards as an appropriate retail price for his product, I think there is no doubt at all that he can do so provided that the manner in which he does it does not constitute an attempt to require or induce the retailer to sell at that price in contravention of subsection 2 of the new section 37A as proposed in the bill. As I have said before in the debate, any manufacturer who wishes to obey the law will have no difficulty in that regard in naming his price. If, however, he chooses to name it in such a way as to try to enforce or maintain it or to induce the retailer to abide by it, then he would in that even fall under the wording of the section.

Mr. Croll: That was not the question, was it? As I understood the question of the hon. member for Eglinton, it was the case of the man who issues a catalogue to the consumer. Was that not the question?

Mr. Fleming: Not necessarily to the consumer. I am thinking in general of the catalogues put out by the manufacturer, wholesaler or jobber. In many cases that catalogue is put in the hands of a travelling or local representative who sells to the retailers. It is not simply the case of the departmental store putting a catalogue directly into the hands of the consumer. I am not thinking of that particularly. I am thinking of the broader question to which I think this section comes much closer.

Mr. Croll: All right.

Mr. Garson: I was quite clear as to what the hon. member meant. He asked whether at this time of the year, when the manufacturers are getting their catalogues ready for the coming selling season and are putting them in the hands of their travelling salesmen, it would be possible for them to indicate therein what they may regard as an appropriate price for their product? The answer is quite clear. It is quite permissible for them to do that provided they do not do so in such a manner as to attempt to require or induce the retailer to adhere strictly to these prices. The reason I enter that proviso is, as I think my hon. friend knows, that resale price maintenance where it has been practised has not been always, or indeed as a rule, the result of any written agreement or anything of that sort. It arises out of a course of dealings in which a travelling salesman may go to the retailer and say: Well now, these are our prices, and of course you understand that these are our prices. I hope you get my point. We would like you to realize that the manufacturer would like to have these prices maintained. Now, do I make myself clear?

If we ran across a set of circumstances of that sort, where there was pressure being brought to bear upon the retailer to maintain these prices with an indication that some kind of sanction was going to be imposed upon him if he did not, then I think that course of conduct would, if we could prove it, constitute an offence under this provision. But if the manufacturer in perfect good faith puts out a catalogue and says that in relation to a particular product he thinks the proper resale price should be $3, and he is prepared to sell it to the wholesaler and through the wholesaler to the retailer at that suggested price, there is nothing in that that would contravene the act, provided it does not go any further. But of course when the retailer gets the article he has paid for it. It is his, and his pricing policy in relation to that article is perfectly free. He

does not have to adhere to the $3 if he does not wish to do so unless the manufacturer has set the $3 as a maximum price in which event not only can he fix the maximum price but he can also enforce it.

Mr. Fraser: Would that prevent the manufacturer from putting tags on the articles he sells indicating prices of $3, $4, $5, or whatever it may be?

Mr. Garson: No.

Mr. Fraser: They can put their tags on as they are doing now?

Mr. Garson: Yes. For example take ladies hose of fine quality marketed in a container, and the suggested price is $2. That is quite all right but the manufacturer must not take any steps which could be regarded as an attempt to induce the retailer to sell at that price, and not less than that price.

Mr. Coldwell: What about the position of an automobile or farm implement company which more or less compels the distributor to take a certain quantity at a certain price, and the agency is the sort of agency in which the retailer, if you like to call him such, does take the responsibility of buying and selling a quantity of goods and obtaining a certain amount of supplies for repairs and all the rest of it. Under this bill would the retailer be entitled to make his own arrangements regarding price or must he conform to the manufacturer's wishes because he is something of an agent for that manufacturer? It seems to me it is complicated, but I should like the minister to tell us what happens in that case.

Mr. Garson: I think I clearly understand the hon. member's question because he has explained it with his usual lucidity, but perhaps he will permit me to draw a distinction with respect to the type of agency about which he is speaking, the so-called agent who owns his own business and buys his goods from the manufacturer and then resells the goods belonging to the so-called agent. Actually, he is not an agent in the strict sense at all, but a dealer in those goods.

Before I go on to answer the question, I should like to contrast with that gentleman a man who is an agent for a manufacturer in the true sense of the word. He may own his place of business, but the goods which he handles belong to the manufacturer and continue to belong to the manufacturer until title passes from the manufacturer to the consumer. In the case of which my hon. friend speaks, this bill will provide, when it goes into effect, that that dealer will be free to resell at whatever price he sees fit, and no sanctions can be imposed upon him for doing so. In the case of the man who is the agent in the real sense, of course he will have, by reason of the nature of his arrangement with the manufacturer, to be guided by the manufacturer as to what price shall be attached to the goods.

Mr. Coldwell: There is just one point in that connection. In the instance which I had in mind, what happens if this dealer sells an automobile, we will say, at a price less than that at which the manufacturer says it should be sold, and the manufacturer says he is going to take the agency away from the dealer? What recourse has that dealer under those circumstances?

Mr. Garson: Under those circumstances the manufacturer would be committing an offence under this bill.

Mr. Lennard: Surely you can hire and fire.

Mr. Garson: I shall deal with that point in just a moment. If the manufacturer refused a further supply to the dealer because the dealer had sold for less than the maintained price, the manufacturer would commit an offence under this bill.

Mr. Coldwell: So that the bill gives some security to that dealer?

Mr. Garson: It does indeed. If, however, as the hon. member for Wentworth has interjected, a question arises as to whether a man can hire and fire, I believe, if I understand the point he meant to make by his interjection, that the manufacturer should continue to have the right, notwithstanding the passage of this bill, of terminating an arrangement with the dealer which was unsatisfactory to the manufacturer for reasons other than the cutting of the suggested price. If, for example, because the dealer was intemperate and did not attend to business he became a poor credit risk, or if he maintained a slovenly establishment which was a poor advertisement for the manufacturer's product, or for a number of other reasons, there was legitimate cause for the manufacturer to terminate the arrangement according to its terms, then the termination would not be an offence under this proposed law.

Mr. Drew: Who would establish the measure of tidiness that must be maintained?

Mr. Garson: I mentioned that, but perhaps it is not a very good example.

Mr. Drew: I think it is excellent, because it just indicates the world of make-believe in which this whole thing is being discussed.

Mr. Garson: I shall be glad to discuss my hon. friend's point. If the manufacturer has a dealer who has failed or refused to sell the manufacturer's products at the suggested

resale price and the manufacturer refuses to supply that dealer with renewal goods or takes any other action to force him into maintaining the suggested price, then the manufacturer would be guilty of an infraction of this legislation. If the manufacturer, however, took any action in relation to his dealer, such as the cancellation of his contract or the refusal to supply him with more goods, not because he had reduced the maintained price but for other good and lawful reasons, then the fact that the manufacturer has taken that action would not, of itself, be an offence under this proposed legislation. Whether or not the action of any manufacturer would fall in one category as offence under the act or as a lawful action under the contract would depend upon the evidence that was laid before the courts. The judge would have to decide that issue.

The hon. member may say that is all in the land of make-believe, but if that is so then almost every lawsuit that comes before the court involves questions of fact of much the same character. The judge has to decide whether the reason for the cancellation of the arrangement is the failure to maintain a price or whether it is some other valid cause of action. In actual practice I would not think there would be any great difficulty in a competent court reaching an opinion on a question of fact of that sort.

Mr. Fraser: Would that apply if the dealer sold at a higher price instead of a lower price?

Mr. Garson: No, it would not under this bill. I had better withdraw that answer and amplify it a bit to make it not only responsive to the question but also accurate. While the manufacturer cannot, under this bill, set a minimum price or a price below which the dealer may not sell, he can set a maximum price above which the dealer cannot sell. That maximum price which he can impose, he can enforce by whatever methods he may now be using to enforce resale price maintenance. In other words, in the legislation a provision is made that if a manufacturer wants to protect the consumer by assuring himself and the consumer that the consumer shall not have to pay more than a certain figure—we will say $5 for a hat—he can fix a maximum price of $5, and he can take whatever steps may be necessary to make that $5 resale price stick, that the dealer cannot sell for above that price; but if the dealer wants to, he can sell below it.

Mr. Fraser: He can mark in the hat at the factory: This hat is to be sold for $5?

Mr. Garson: Surely.

[Mr. Garson.]

Mr. Graydon: I should like to ask the minister a question which has been causing me concern as the debate has been proceeding. One of the things I want to be clear on is this. Suppose the manufacturer is selling regularly to a retailer one or more articles of merchandise in the usual course of business, that the retailer is purchasing from the manufacturer directly and is paying the manufacturer according to the pricing arrangements they have. Then suppose the manufacturer and the retailer decide that that relationship is going to be changed and that the retailer is no longer going to act in his independent capacity but will be the agent for the sale of those products of the manufacturer. Is it possible, under this legislation, for that change of relationship to take place? If it does, then of course, as I understand the bill, it comes outside the terms and provisions of this legislation.

Mr. Garson: It will come outside the provisions of the act itself provided that the arrangement, to which my hon. friend refers as an agency arrangement, is an agency arrangement in the strict sense; that is, in the sense that the dealer will give up his own identity in the control over his own business and enter into an arrangement with the manufacturer under which, to all intents and purposes, he will become an employee of the manufacturer doing as the manufacturer tells him to do, and under which the manufacturer will own the goods and direct him as to what he is to do. If that is the arrangement, then of course the principals in the contract of sale will no longer be the dealer and the consumer but will be the manufacturer and the consumer, and the commercial identity of the former dealer will be lost entirely. He will be submerged in the identity of the manufacturer.

The reason why I rather emphasize that distinction is that there is a term that is quite commonly used; it is said that such and such a firm is the "exclusive agency" in such and such a city for such and such a product. I am under the impression that in the majority of cases in which that arrangement is made, the so-called exclusive agency means nothing more than that the manufacturer sells goods to this dealer who buys them, pays for them, owns them and as a principal himself resells them to the ultimate purchaser, and that the only basis for the term "exclusive agency" is that that manufacturer chooses to deal with that particular dealer because he is a man of repute and of reputation in the community, and the manufacturer has goods of a high quality and

wants to deal with a high-quality representative. But he is not an agent in the sense in which I think my hon. friend was using the term.

Mr. Graydon: My point was this, if I may extend it a step further. I did not have in mind that the retailer would be the employee, for instance, of the manufacturer. I had in mind that he might perhaps be an agent, that the goods might be sent on consignment to the retailer and that a commission would be charged by the retailer upon the sale when it was made. The goods, I take it, would then of course be at the risk of the manufacturer until the title had passed to the ultimate purchaser. But if that is the case—and this is the reason I raised the question—it looks as though if any manufacturer decided to adopt that course of creating a bona fide agency arrangement between the retailer and himself, this act would be of no avail whatsoever in the protection either of the consumer or of business generally. If that were to be done on a broad-scale basis, this act would be just so much eyewash from the point of view of protecting those parts of our business that the minister has in mind giving protection to. That is the point I wanted to be made clear upon because it seems to me that if you are going to have an act it ought to have some powers and it ought to have reasonably wide coverage or else not be brought in at all. But if what I have suggested is the case, I can see exactly what is apt to happen—as can the minister and everybody in the committee who has some relation to business—namely, that you are going to find that the people the minister is trying to take a crack at in this legislation are not going to be there when he cracks the whip. That is the position I should like to be made clear on.

Mr. Garson: With great deference, Mr. Chairman, I must say that I do not entirely share my hon. friend's apprehensions in that regard. He knows as well as we all do that at the present time we have, under the present system of resale price maintenance, a large number of these business concerns in which the manufacturer retains control of his product until it is sold to the consumer. You find that situation in the clothing trade, the candy trade and in a number of others. In that case the manufacturer has made a decision that he, as a manufacturer, can take on the secondary function as a distributor and that he, in his capacity as a distributor, can distribute his own goods more satisfactorily and more economically for himself than he can by selling them to the trade. The independent retailers and the independent wholesalers of the country are facing that kind of competition right at the present time in all of these fields. I do not think for a moment that the passage of this bill will alter to any substantial extent that competition that now exists; but I should have thought that the decision of the manufacturer to enter into the distributive trade would probably be inspired or affected to a far greater extent by other considerations than by the passage of this bill. If up until the present time he has not felt that there was any particular advantage to him to get into the distributive business, I do not think that the passage of this bill is going to drive him there. For that reason I do not share my hon. friend's apprehension. I think the point that he makes is a colourable one, shall I say; there is point to my hon. friend's remarks. But I think that we will find that there will be no great increase in the fairly substantial amount of manufacturer distribution which is being carried on at the present time. I do not think that will likely change because that is very well established, as my hon. friend knows, in most of these cases like the Laura Secord people and the Tip Top Tailors and so on.

Mr. Fleming: Before the discussion goes too far afield, will the minister come back to the other question I asked him originally in regard to the joint advertising project carried out by the retailers selling the same type of product?

Mr. Garson: I will be glad to do so, but I was going to say with some reluctance. I guess there is an inconsistency there. I am a little bit reluctant to do it for this reason. I do not know whether the hon. member for Eglinton was in the chamber when I was asked questions during the debate on second reading on this very point, but the hon. member for York South—

Mr. Fleming: Yes, I was present. His question was similar to the questions I have asked.

Mr. Garson: That is correct. Perhaps my hon. friend will recall that I asked a counter question as to just what it was that was done before this advertisement was put in the newspaper. Did the gentlemen who got together each week to draft this advertisement agree as to the contents of the advertisement, or did they agree as to the price of the articles that were advertised in the advertisement, because if they agreed—

Mr. Fleming: I will clear that up. These articles in the given case I take it are all price-maintained. Here is a group of retailers who are selling the same group of articles, in each case at the same price. They are not fixing the price, they are simply following or applying the policy of price-maintenance, laid down by the manufacturer. In their case,

what is going to become of these advertisements? Are they going to be denied any opportunity of sharing together in advertisements of the same articles, as they are doing at the present time. A joint advertisement is the only way in which numbers of these smaller retailers can hope to compete with the big full-page advertisements of the larger retail outlets.

Mr. Garson: I appreciate the manner in which my hon. friend has elucidated this point, but he has hardly met my difficulty completely, I think, for this reason. A case of this sort, as I am sure my hon. friend as a lawyer would agree, depends to a very large extent indeed upon the facts. What my hon. friend is asking for really is a legal opinion as to what effect this legislation would have upon a certain practice which he says is being followed. If I say that it will have no effect, and then it turns out that my hon. friend's information as to just what is done at these meetings is inaccurate, it would be very difficult for me to convince anyone afterwards that I gave advice upon a certain set of facts, and the real facts were different from those which he had represented to me. In saying this I am not questioning his veracity; not for a moment. Perhaps I can answer his question in this way. If in fact these gentlemen at these meetings at which the text of the advertisement is agreed upon did reach an agreement as to prices, then that, I apprehend, would be unlawful not under this new amendment but under the existing Combines Investigation Act, provided that it was significantly preventing competition to the public detriment.

If, on the other hand—this is the case that my hon. friend poses—these prices were maintained prices which have been up until the present time quite legal—I understand that is what he contends—and that the advertisement advertises such maintained prices, then the passage of this legislation would make it impossible to advertise maintained prices because maintained prices themselves are made illegal by the bill.

Whether or not what my hon. friend has stated—and what I am stating by way of reply—is in accordance with the actual facts of the case, I am not in a position to say, and I would very much prefer that no person should take this exchange between my hon. friend and myself too seriously until we get the actual facts of the case before us and express an opinion concerning them.

Mr. Diefenbaker: That warning is unnecessary.

[Mr. Fleming.]

Mr. Fleming: This is an extraordinary procedure. The Minister of Justice has said: Now, I have made an answer, but do not let anybody think I am bound by it.

Mr. Garson: No.

Mr. Fleming: We are not asking free legal advice from the Minister of Justice; we are asking for the government's interpretation of this legislation. I prefaced what I had to say on this subject by indicating that so far as my reading of this section is concerned, it just abounds with difficulties as to its meaning. It seems to me that this is a section that, when it is submitted to judicial interpretation, is going to present very great difficulties. That is why I think we wish to understand now just what it is we are dealing with. The case that I put before the minister was put for illustration. I think that he has in his answer introduced all the qualifications, surely, and all the statements of pertinent facts that are relevant to his answer. But I think when he does qualify his answer to his heart's content or introduces all kinds of hypothetical circumstances, surely when his answer is given we are entitled to understand that that is a considered answer and the government's view as to the effect of this legislation. I emphasize again, this is not an idle question.

Mr. Garson: On a question of privilege, before my hon. friend goes away from this point, I should like to make it clear, if I have not already done so, that I have tried, and I think successfully, to give an answer to the set of facts which my hon. friend has posed as the basis for his question; and I am quite willing to be accountable for that answer to his set of facts. But what I have suggested, with all respect, and not in any way questioning his veracity, is that it may well be that the real facts are not as he imagines them to be. I am simply uttering a note of warning that to the extent that the real facts are different from those which he has suggested, then to that extent my answer will not apply to the real facts. In other words, I do not want my hon. friend, nor do I want the Drug Trading Company, or whatever the organization is, to say, on the basis of the answer I have given to the facts stated by my hon. friend that, well, we are out in the clear on the basis of the real facts; but if the real facts are as stated by my hon. friend—and they may very well be—then I stand right behind my answer.

Mr. Fleming: I do not think anyone would ever propose to hold the minister to an answer except in terms of the question, and the question in this case is surrounded by

what I thought was an ample statement of the understood facts. Certainly, the minister has predicated his answer upon the correctness of the facts as stated. Indeed, he has gone further and introduced a number of qualifications and hypotheses that surely qualify his answer to his own satisfaction. That answer having been given, I think the committee is entitled to feel that it is a considered answer; that it is the government's understanding of the legislation that it is introducing, and that it is its legislative purpose in connection with this measure.

I think this question must be considered further. This is not an idle question; this is a very serious matter for a great many retailers because, as I have indicated to you, the only way in which they can hope to compete in advertising with the large retail outlets is by association together, pooling the expense of advertisements.

Now, we are told on the one hand that if today they are going out to fix prices by a combination among themselves in a manner detrimental to the public interest, that is already contrary to the act. And we are told on the other hand that if this is not that case, but is simply a case of resale price-maintenance, laid down by the manufacturer who supplies these goods to all retailers, on these or similar terms, for sale at the maintained price, such practice is to become illegal.

But that is not the end of the question. The manufacturer is quite at liberty to indicate the maximum price. We have already been told that he is at liberty to suggest what he considers a fair price, so long as he does not attempt to lay down sanctions as applied to anyone who does not choose to follow his view as to fair price. But what is to be the position of a group of retailers in the same business who, in the light of a maximum price indicated by the manufacturer or a fair price suggested by the manufacturer, choose to unite together in publishing an advertisement which says, for instance, that the John Jones tooth brush is to be offered for sale at an indicated number of pharmaceutical outlets at a price of fifty cents, and that, we will say, a particular type of toothpaste is available at that group of pharmaceutical outlets at a price of forty-nine cents? There may be a dozen other articles in the same advertisement.

This is a very important question. It is something that agitates pharmacists and merchants who are motivated in their business dealings by the highest purposes. Their operations are honourable and above reproach. They keep within the law. They obey the law, and they wish to continue to do so. At the same time they do not wish to be exposed to the ravages of unfair competition at the hands of big and powerful retail outlets.

In the case I have put before the minister, I do not think we have had by any means an adequate answer to the question. Assuming that this legislation passes, what is the position with respect to the desire of those retailers who are interested in the same type of commodity to associate themselves in a common advertisement?

Mrs. Fairclough: Following up the same question, I should like to ask the minister if I understood him to imply that the joint advertising done in the past by groups of independent retailers or by voluntary chains contravenes the Combines Investigation Act. Also, whether they did or not, and if there is any question at all as to the legality of the joint advertising, who will be guilty? Will the retailers themselves be the ones charged, or will the newspapers be deemed guilty by reason of having published these advertisements?

Mr. Garson: Mr. Chairman, the question asked by the hon. member for Hamilton West is pretty good proof of the difficulty which arises in reply to questions such as that asked by the hon. member for Eglinton. The substance of the question of the hon. member for Eglinton was this: Can these druggists continue to advertise maintained prices? My answer was that since resale price maintenance will be banned by this legislation, it will be impossible to advertise maintained prices. That is my answer.

I did not say that they could not have joint advertising, which is a different question entirely. The difficulty arises in a matter of this kind, as any lawyer with any experience, such as that of the hon. member for Eglinton, will tell you, that the first thing counsel wants to know when asked for an opinion is this: What are the facts of this case? He wants to know what the real facts are—not the hypothetical ones, but the real ones. He will not give an opinion until he is told the facts clearly.

If the hon. member for Hamilton West has a different set of facts in mind, that there are not going to be maintained prices in some other type of advertising, then that indicates another answer.

My point is that this sort of question and answer procedure in committee is more likely to create misunderstanding than to illuminate the subject. One cannot express an opinion until he knows exactly what it is

that these gentlemen propose to do. We are doing these men a disservice until we can consult with them and find out what it is they have in mind to do after the act is passed. Then we can tell whether they will be acting in compliance with the act.

Mrs. Fairclough: I think it is fairly obvious that what they want to do is to proceed in the manner in which they have in the past.

Mr. Garson: Yes.

Mrs. Fairclough: I should like to ask the minister whether it was his intention to indicate that this joint advertising has in the past run contrary to the provisions of the Combines Investigation Act. I gathered that from some of his remarks. I wonder now just what happens to this group of retailers. They are probably a voluntary chain—and I presume the minister understands that when I refer to a voluntary chain I mean that each store is independently owned and that they group together for purposes of identification. Each person, however, is the owner of his own store, and his association with other members is purely voluntary. In the past they have published advertisements jointly. Of course they would have to agree on the prices which would go in those advertisements. They would have to agree, because the very fact that they put their names to the advertisement would mean that they agreed.

Mr. Garson: No. Perhaps my hon. friend would permit me to interrupt. I think this would be an excellent interruption, if I may be permitted to say so. I assume that they do not agree at all. But if not, were they not advertising drug prices—

Mr. Hees: Not necessarily at all.

Mr. Garson: Just a moment, now. Were they not advertising drug prices which had been fixed at the manufacturing level by resale price maintenance?

Mrs. Fairclough: No.

Mr. Croll: He is trying to help you.

Mr. Garson: Because if they did not, if they got together among themselves to fix prices as a horizontal combine, then that would be in contravention of the act—not this present bill, but the act itself. That would be so, provided competition was eliminated to some extent by their action in so doing.

So their problem, it seems to me, is this—and these are not the best auspices under which to discuss it—their problem has been that under a system of lawful resale price maintenance, under which manufacturers have fixed resale prices of these products, they could publish joint advertisements. Having regard to the fact that resale price maintenance is lawful, and that it is lawful to advertise, the advertisement would be quite all right.

But now the question arises as asked by the hon. member for Eglinton: If we ban resale price maintenance, can they continue to do that? And of course if we ban maintained prices, the presumption arises at once that they have agreed to fix the prices themselves. Perhaps I would illuminate the subject a little more if I were to put it this way—although this perhaps is a ridiculous supposition: Let us suppose that these gentlemen pool their resources in advertising. From what the hon. member has said, I understand that they are all independent. If their prices were not the same on different products, there would be no question at all, because there would be no suggestion or thought of their being the same. But it has always been the law that dealers cannot get together to fix prices at which they are going to sell their products. If they do so and do it to the extent that it is contrary to public interest by a significant reduction in competition, then that would be an offence under the act. I assume that up until the present time they have just been advertising resale-maintained prices?

Mrs. Fairclough: That is not the fact and that is not what I meant. I take it from what the minister has now said that it is quite legal for A and P or Loblaw's or Dominion Stores to publish full-page advertisements indicating that you can buy ketchup in any store for twenty-seven cents, but it would be against the law apparently for a chain composed of independent merchants to publish the same advertisement and say that you could buy ketchup at any of their stores for twenty-seven cents. That would be considered collusion.

Mr. Croll: He did not say that.

Mrs. Fairclough: That is what it sounded like to me.

Mr. Garson: This just illustrates—

Mr. Macdonnell (Greenwood): The stupidity of the legislation.

Mr. Garson: No. It just illustrates the difficulty of trying to give a legal opinion upon a set of facts asked by the hon. member for Eglinton, and again upon a somewhat different set of facts asked by the hon. member for Hamilton West, and so on.

An hon. Member: They are simple facts.

Mr. Garson: I think an exchange of this sort is doing a disservice to all concerned.

Mrs. Fairclough: These are the very things that are bothering merchants. I cannot see that it is doing a disservice to try to clarify the situation; quite the contrary. As a matter of fact, I was not talking about price-maintained articles entirely because a great many of the products and articles which are advertised jointly are not price-maintained nor have they ever been price-maintained. That is particularly true of food items. You see these big advertisements in the paper every Thursday where the chains advertise prices which will be in effect in their stores for the week-end buying. I asked the minister before whether that advertising would be contrary to the provisions of the Combines Investigation Act in the past.

Mr. Cannon: If it is against public interest only.

Mrs. Fairclough: It does not matter whether they contravene the act or not, it is not a matter of whether it is against public interest or not; I would say that that is secondary. The question is whether one set of dealers or one dealer operating through a number of outlets can practise a certain advertising policy while another group which has chained together cannot.

Mr. Fleming: May I point out to the minister that I think that he has quite overlooked an important feature of this bill. The question has to do with something done or undertaken by retailers. There is nothing in this bill that says anything about retailers. The proposed section 37A does not deal with acts done by retailers.

Mr. Cannon: They are included in the definition.

Mr. Fleming: The definition of the word "dealer" is broad enough to include someone who sells goods, but look at subsections 2 and 3 and you will see that there is nothing there that applies to what is done by retailers.

Mr. Garson: My friend's question concerned retailers.

Mr. Fleming: That is my point and for that reason I think the minister's answer is in error. I think in undertaking to answer these questions he has completely overlooked the fact that this bill has no application to acts by retailers. It purports to apply only to those who are supplying or selling to retailers.

Mr. Garson: Has my hon. friend looked at the definition of "dealer"?

Mr. Fleming: I referred to the definition of "dealer" when I opened my remarks this afternoon and just now. It is quite true that the word "dealer" is defined in terms broad enough to include a manufacturer, a supplier or a vendor. But look at the operative terms of section 37A; look at subsection 2. There is nothing there that applies to an act of a retailer selling to a consumer. There is nothing in the bill that applies to that situation. I think the answer of the minister is in error.

Mr. Cannon: The minister's answer referred to the case of retailers combining together which would be illegal under the existing act, not under the amendment.

Mr. Fleming: That was only one fragment of the minister's answer. He dealt with the situation that exists before this bill comes into effect. Whatever may be said about the correctness of his interpretation, certainly that has to be dealt with in the terms of the present legislation. The other question was as to the effect of this legislation on practices that exist. The minister has given a long answer which I think in the light of a proper reading of this section is quite erroneous.

This illustrates the importance of insisting on a discussion of this kind in committee. After all, what is a committee stage for except to probe into the terms of legislation like this and try to find out what they mean. Let us turn the sections inside out and see what they mean. We have been discussing this section for less than an hour and it seems to me that it is already apparent that the government does not understand the full extent of this legislation or what is involved and what is not involved in it.

Mr. Noseworthy: I should like to follow up this matter of advertising with the minister. I understand that a firm like Loblaw's can publish a full-page advertisement in the Toronto papers indicating that certain items can be bought in any one of fifteen or twenty Loblaw stores in Toronto and suburbs at a given price. What we are trying to find out is what would be involved if an association like the independent druggists or the independent grocery alliance, each of which has a number of stores, get together and publish a joint advertisement and name the prices at which items may be purchased in each of their stores. Is that just as lawful as if Dominion Stores, A and P or some other chain did the same thing?

Here is a full-page advertisement indicating what I have in mind. This appeared in the Toronto papers, and similar advertisements appear many times through the week. A number of stores combine, and apparently there is no violation under the present act, or there has been no indication that there

is a violation. Some of the articles advertised are price-maintained, others are not. This has been going on for years. Will they still be permitted to publish these advertisements indicating the prices at which given articles can be bought in any of their stores?

Mr. Garson: I shall make another attempt to make myself clear in this matter. There is nothing to prevent a group publishing a joint advertisement, but in practice that advertisement—I am not suggesting this about that particular group of people—and the business of getting together to agree upon prices that are to be published may be merely a cloak for a horizontal price-fixing agreement. If that were the case, if it were a cloak and they were really fixing prices, the mere fact that under the law they have a perfectly lawful right to join together to publish a common advertisement would be no protection for them if it could be established that they had fixed prices. If the crown were able to prove in a given case that fixing went on to the extent of seriously interfering with competition, and that is what we would have to prove in order to prove that it was contrary to public interest, that would result in a conviction. But if a group of men came together and in good faith published a joint advertisement of prices of goods that were not resale price maintained, and if we can all imagine that by the most extraordinary coincidence they all happened to have individually the same price for the same article in the advertisement, if those were the facts then it would be quite within their rights to have a joint advertisement provided they were not using it as a means of fixing prices in contravention of the act. My hon. friend may say that all that sounds extremely complicated. In any practical case that would arise, we will say for prosecution, it would be a question of fact for the court to decide whether this was a bona fide coming together in a joint advertisement or whether on the facts of the case there had been a contravention of the act. My difficulty in discussing this question is that I am being asked, upon a purely hypothetical set of facts, to anticipate what judgment a court would give upon them.

Mr. Noseworthy: Will the minister show me what is the difference, so far as interfering with competition is concerned, when fifteen or twenty Loblaw stores scattered throughout Toronto and suburbs advertise a set price for every given article on their shelves in stores that have different overheads and staffs and where the cost of doing business is different? Loblaw's, because they are one firm, can have fifty stores and fix prices for every one of their stores, and you say it does not interfere with competition.

[Mr. Noseworthy.]

An hon. Member: They are not conspiring with anybody else.

Mr. Noseworthy: If fifty independent dealers agree to advertise their prices that is interfering with competition and I should like to know what the difference is.

An hon. Member: Loblaw's are all alone.

Mr. Garson: When as a matter of policy in a country—for example, the United States, Canada or Great Britain which is now engaged in the task—it is decided to pass anti-trust or anti-combine legislation, they prohibit agreements reached between different concerns for the purpose of fixing prices over the whole field, or a significant part of the whole field, so as to achieve by that means the economic equivalent of a monopoly. When you prohibit an agreement, it is an agreement amongst various separate owners and proprietors of businesses. In the case that my hon. friend poses, while Loblaw's may operate twenty stores they are, as he well knows, all under one management. That management establishes the pricing for those stores but it does not establish it for the whole industry. They are subject to the competition not only of other chains and departmental stores but of all these other fifty retailers, thousands of other retailers, in that business.

If you say, by this ingenious point which my hon. friend has raised, that you are going to let groups of other people set prices by agreement, the practical question arises in the administration of legislation of this character as to just where you are going to draw the line. You have either got to prohibit price fixing agreements across the board or not prohibit them. If you do not prohibit them, then what happens, as has happened in certain industries which I will not name, is that everybody in the industry, at the retail level, the jobber's level and the manufacturer's level, gets together in one great arrangement that controls the price of the product from the time it is manufactured through all its stages until it reaches the consumer.

Mr. Diefenbaker: Would that not be an offence now under the Combines Investigation Act?

Mr. Garson: For all who get together?

Mr. Diefenbaker: Would that not be an offence now if they all got together?

Mr. Garson: Oh yes, it surely would be. It is an offence if they all get together, and it is an offence if less than all get together.

Mr. Diefenbaker: You said all.

Mr. Garson: It would be an offence if the retailers got together in a horizontal agreement. It is an offence for the wholesalers

to get together in a common agreement. It is an offence for the manufacturers to get together, and if the whole bunch of them get together it is perhaps a more grave offence but it is still just an offence under the act. The difficulty which my hon. friend raises is one which arises out of the nature of legislation of this character. You are either going to prohibit price fixing agreements or you are not.

Some hon. Members: Hear, hear.

Mr. Garson: That is the character of the combines act, and all of this discussion for the past fifteen minutes has nothing to do with the bill. It has been on the combines act itself.

Mr. Noseworthy: I understand it will be illegal for the 400 independent stores that form this voluntary group to get together, fix prices and advertise uniform prices. Yet it would be quite legal for these 400 stores to organize themselves into a corporation with one management and for that one management to fix the prices for the 400 stores.

Mr. Drew: That is what it encourages.

Mr. Hees: That is what you are encouraging. Is that not so?

Mr. Noseworthy: Am I correct in that assumption?

Mr. Garson: What is involved there is the surrender of the independence of every one of these proprietors to a larger concern. I think my hon. friend is right to this extent, that in dealing with arriving at agreements in contravention of the act you have to treat each proprietor, large and small, as an entity whose consent is a necessary feature in any agreement that he may reach with others to fix prices in contravention of the act. My hon. friend is quite right that it does not make any difference whether it is a large or small dealer. He acts as an individual and his consent is necessary to arriving at that agreement.

Mr. Ross (Souris): I think this bill is very confusing to a great many retailers. I have had considerable correspondence with executive members of the Canadian farm implement retailers association. You have partly cleared up the difficulty with the reference to the automobile agency or large farm implement agency that may lose its contract. I think the majority of the larger farm implements are handled on a catalogue basis. The prices are set out every year by the larger companies not only for their machines but for parts and repairs. In many cases that I know of a genuine agent handles these farm implements. He sets up an organization by agreement with a company to service the implements over a term of years. He purchases his own property and in many cases he purchases the parts outright from the particular company and carries on that service. These people are quite worried as to whether or not the legislation will interfere with them. Every time they go to their shelves for a particular part they look up the catalogue put out by the farm implement company concerned and charge their customers on the basis of the catalogue price. They are very much concerned as to whether the legislation will interfere with their carrying on on that basis. As I interpret it, that is really price maintenance.

Mr. Garson: When my hon. friend asks whether or not it interferes, what does he mean?

Mr. Ross (Souris): Is it price maintenance? The minister pointed out to the hon. member for Rosetown-Biggar that a person could lose his agency for not carrying out the instructions of the company, and would come under this new legislation. Supposing someone comes along and reports one of those men carrying on this service. There is an investigation, and the dealer finds he is in difficulty for not adhering to this catalogue price. Is that considered as interference under this legislation?

Mr. Garson: I am not sure that I understand the hon. member's point. Perhaps I had better restate it and he can take careful note to make sure that I am stating his point correctly. If at the present time the basis upon which the implement dealer gets his implements and repair parts from the manufacturer is that in reselling them he must charge the customer the prices that are set out in the catalogue or else he will lose his agency or have some form of punishment imposed upon him—is it the hon. member's view that is the situation?

Mr. Ross (Souris): I am told it is not a hard and fast contract, but it is a suggested price. Nevertheless, I do know what has happened in many cases where the dealer has deviated from that suggested price.

Mr. Garson: The manufacturer has withdrawn the agency?

Mr. Ross (Souris): That has happened in some cases.

Mr. Garson: The effect of this bill will be that the dealer who purchased his implements or repair parts from the manufacturer and has paid for them, will have title to those implements. If he wishes he can sell them at the suggested price in the catalogue to which my hon. friend refers, but if he wishes to

sell them for less than that the manufacturer cannot do anything to him, as the hon. member says he is doing now.

If the hon. member regards the penalties which are now imposed on the dealer as objectionable in any way, then this bill will do away with those penalties.

Mr. Hees: Getting back to what we were discussing before the member for Souris spoke, it is obvious that the large grocery chains like A & P or Loblaw's can combine their advertising for all their stores, and therefore can afford to advertise the products sold at all their stores, at whatever prices they want. The small stores cannot afford to advertise singly, and that is why, in the past, they have combined in order to make it possible to advertise their goods and draw customers to their stores. In the future, in order to compete with these large chain stores, there will be great compulsion on them to merge together in order to advertise and maintain stable prices. This eliminates individual competition; and will mean that you are only going to have mergers of small units, and you are going to do away with the individual unit. Does the minister agree that is what this legislation will make it almost impossible to get away from?

Mr. Garson: No; I do not agree with that at all, Mr. Chairman. It seems to me there has been considerable confusion of thought between the provisions of this bill, on the one hand, and the provisions of the Combines Investigation Act on the other. When I am asked to say what would happen on the basis of a certain set of facts, and to those facts the existing Combines Investigation Act is perhaps more applicable than this bill, I think in all honesty I have to give an answer in terms of the existing Combines Investigation Act.

Perhaps I could make this whole difficulty over advertising more clear if I put it in this way. It is now legal, and will continue to be legal after this bill is passed, to advertise all non-price-maintained goods which would include most of the groceries and will include nearly all goods after the bill comes into effect. I think I had better stop there, because that will leave a clearer impression in the minds of the members concerning the difficulty we have been discussing. It is a difficulty which does not arise under this bill at all, but is a difficulty under the Combines Investigation Act in its present form.

Mr. Hees: That is not an answer to my question at all.

Mr. Croll: Perhaps we can clarify it. The trouble is that everyone is asking questions and getting different answers to the same questions; that is what is bothering me. I am very unhappy about the answer that was given to the member for York South.

Mr. Hees: A new assistant.

Mr. Croll: I do not know why there is all the shouting. You are trying to get an interpretation of an act, and I am not giving legal advice. I want to understand what this means. I shall give the minister a set of facts to see if I understand the bill. A, B, C and D are retailers who buy from manufacturer X. The suggested retail price is 10 cents. They all advertise the article at 10 cents in a joint advertisement. Under this bill is there anything illegal about that transaction?

Mr. Garson: Under the present bill?

Mr. Croll: Yes.

Mr. Garson: The present bill has nothing at all to do with it.

Mr. Stuart (Charlotte): A suggestion has been made that 300 or 400 retail stores might combine in order to obtain the same results as Loblaw's and A & P. The thought occurs to me that the only way that could be done would be for one company to buy out these 300 or 400 stores.

Mr. Hees: No.

Mr. Stuart (Charlotte): If these stores were run the same as Loblaw's, the managers and clerks would be on a salary. The stores would be united, and you would have exactly the same circumstances as those under which Loblaw's operate. But if the 400 grocers got together and decided they would form a combine—that is the suggestion here—and said they would come under the one head but run under their own businesses and just get together on price, then that would be a combine.

Mr. Hees: No, a merger.

Mr. Stuart (Charlotte): No, it is a combine. If it is not under one management and the managers are not on a salary, then it is a combine.

Mr. Coldwell: I want to follow up the question put by the hon. member for Souris. Supposing a manufacturer discontinued supplying a retailer without giving any reason whatever, or ostensibly for some reason other than cutting price, what is there in this bill to prevent that? Supposing a co-operative society wishes to buy a line of implements: can a manufacturer refuse to supply the dealer in the one instance or the co-operative in the other instance with that line of goods? Is there anything in this bill or in the Combines

Investigation Act which would enable either the dealer under those circumstances or an organized co-operative to get a line of goods such as implements, for example—that is perhaps what we are most interested in at the moment—without any discrimination whatsoever?

Mr. Garson: I would refer my hon. friend, if he has the bill there, to subsection 3.

Mr. Coldwell: I have read that.

Mr. Garson: It reads as follows:

No dealer shall refuse to sell or supply an article or commodity to any other person for the reason that such other person

(a) has refused to resell or to offer for resale the article or commodity

(i) at a price specified by the dealer or established by agreement,

(ii) at a price not less than a minimum price specified by the dealer or established by agreement,

(iii) at a markup or discount specified by the dealer or established by agreement,

(iv) at a markup not less than a minimum markup specified by the dealer or established by agreement, or

(v) at a discount not greater than a maximum discount specified by the dealer or established by agreement . . .

In other words, if the retailer has broken the price by selling for less, and the manufacturer subsequently refuses renewal of supplies or cancels the contract of supply, then I imagine what would happen is that a complaint would be made to the combines investigation branch, and we would inquire into the circumstances. If they revealed what seemed to be a case against the manufacturer, a charge would be laid; and when that was tried, the question of fact would be for the court to decide on the evidence as to whether the manufacturer, in refusing renewal supplies or in cancelling the arrangement with the dealer, did so in contravention of this section or whether he had other good reasons for doing so. If he had no other good reasons, and if the man was the same credit risk that he had always been and was doing a good job in every way, I should think that the conclusion which it would be almost irresistible for the court to come to would be that the real reason for the cancellation of the contract or the refusal for renewal of supplies was the fact that the price had been broken.

Mr. Coldwell: Having read that particular part of the bill, I had come to the conclusion that this rather restricted the grounds upon which a manufacturer could refuse to sell. It seemed to me that if we are really trying to bring about competition and to end this particular practice, we should simply have this clause read in this way:

"No dealer shall refuse to sell or supply an article or commodity to another person."

It seemed to me that we should stop there. Then every co-operative could obtain goods and every dealer could obtain goods; and once he obtained the goods and bought the goods, he could sell the goods in any way he liked. It seems to me that the clause should stop there if that is the intent of the bill.

Mr. Garson: With all deference, Mr. Chairman, I think that my hon. friend has not given his last suggestion the careful consideration and good judgment that he usually gives to matters that come before the House of Commons; because if we made it the law that any manufacturer would have to sell goods to any person—

Mr. Coldwell: Who would pay for them.

Mr. Garson: —who would pay for them, I would think that would be quite an extreme interference with the freedom of the individual, and much more so than anything that is contemplated in the whole of the act at the present time.

Mr. Diefenbaker: I have listened to the Minister of Justice, and I think he ought to pay a compliment to the hon. member for Spadina for applying a little bit of the common sense to which the Minister of Justice referred yesterday when he himself was discussing these sections. I do not know where we would have been but for the hon. member for Spadina and the assistance of the combines commissioner, although not on the floor of the house.

As to the present section, the point raised by the hon. member for Rosetown-Biggar is clear. The Minister of Justice seems to forget that with regard to prosecutions there is such a rule as that intent must be established; and the intent is fully set out in this section which says:

No dealer shall refuse to sell or supply an article or commodity to any other person for the reason that such other person

(a) has refused to resell or to offer for resale the article or commodity

(i) at a price specified by the dealer or established by agreement . . .

And so on. My hon. friend says that it is a question of fact. Certainly it is a question of fact that can only be determined if there is evidence upon which a court could determine it.

Mr. Garson: That is right.

Mr. Diefenbaker: On the statement made by the hon. member for Rosetown-Biggar there is no authority under this act that will deny the right of any dealer simply to refuse to deliver any commodity, whatever it may

be, as long as the reason is not given. That point indicates exactly how half-baked legislation comes before the House of Commons, without the care and the attention it should receive. While the endeavour has been to close the door, in fact the door has been opened. There is no onus upon the accused. The crown must prove, in the prosecution, that the dealer refused to sell or supply the article or commodity for the reason that the intended purchaser has refused to be bound by the resale price.

Mr. Cannon: Will the hon. member permit a question?

Mr. Diefenbaker: Yes.

Mr. Cannon: The hon. member said: If the reason is not mentioned.

Mr. Diefenbaker: Yes.

Mr. Cannon: Even if the reason is not mentioned for the refusal to supply goods, does the hon. member, who is a lawyer, not realize that the reason can be established by outside evidence?

Mr. Diefenbaker: Oh, yes.

Mr. Cannon: That is, by collateral evidence.

Mr. Diefenbaker: Oh, yes.

Mr. Cannon: Of the circumstances.

Mr. Diefenbaker: That is true.

Mr. Cannon: It does not have to be mentioned in the act.

Mr. Diefenbaker: That is simply an interruption that is meaningless.

Mr. Cannon: I beg your pardon. It contradicts what you were saying.

Mr. Diefenbaker: That is true.

Mr. Cannon: It is not meaningless for that reason, surely.

Mr. Diefenbaker: No; it is not meaningless to my hon. friend. But the point I am making is this, Mr. Chairman. By the section itself imposing the onus on the prosecution, the situation to which I have referred is possible, provided that there are no documents to the contrary or that there is no evidence to the contrary. If there is evidence, as my hon. friend says, then it will be established that the reason for refusal to deal was the refusal of the intended purchaser to resell at the resale price; that is so if there is evidence, either direct or circumstantial. But circumstantial evidence is certainly far different from what was referred to a moment ago as a principle by the Minister of Justice when he says that the courts may come to a conclusion as a fact that the reason for the denial was the fact that the purchaser refused to be bound. There would have to be some evidence of that, either direct or circumstantial, as the hon member for Iles-de-la-Madeleine has said.

For two days the Minister of Justice has been telling the house how difficult it is to get convictions under the Combines Investigation Act. In the United States it takes three years to get the evidence. If this section is passed as it now stands, and an alteration is not made in the draft, there is no reason why any person in this country need fear prosecution. I refer particularly to implement manufacturers or distributors, automobile distributors and the like. I take those as examples. Under the law as we intend to pass it, if it goes through in its present form, the crown will have an impossible task in proving intent; for, as the Minister of Justice has repeatedly said, prospective wrongdoers do not leave any more traces or fingerprints than they can help. He pointed out yesterday, with such power and force, that these great corporations have outstanding lawyers to act for them. That was given as an excuse for the fact that in some of the prosecutions government counsel were less astute than they ought to have been in the prosecution, and in the results of prosecutions no doubt. The fact remains that under the section as it now stands the onus on the prosecution would allow every manufacturer in this country, without giving any reasons—he need give no reasons—to simply say: On and after a certain date I do not wish to supply you. If there is no more than that available, and no circumstantial evidence, as the hon. member for Iles-de-la-Madeleine mentions, then there can be no conviction. I also point out that under this legislation there is nothing that will deny any manufacturer the right to say that one prospective purchaser shall be on a quota, and one quota shall be small and another large.

Mr. Nowlan: And that it will be six weeks before you get your order.

Mr. Diefenbaker: There is nothing to indicate that any offence will be committed if a dealer simply says: On and after this date, for no reason—and they will certainly set forth in the letter; we have no reason for doing this—your quota will be such and such. I point that out as a second weakness in the draft section.

As I see them, these two weaknesses can have the effect of parliament passing the section in its present form and constituting a threat, and effective in so far as commodities now on the shelves of the retailers are concerned, but ineffective as against any future

dealings that might take place. In its present form, as I see it, the section will be—and I repeat—ineffective in relation to the various retailers who have goods in stock. They will be able to sell them; but in so far as goods that are in the wholesalers' stocks today are concerned, and which will ultimately find their way into the possession of the retailer, the section as it now stands will, in my opinion, come within the ambit of Colonel Ralston's description of section 498A in 1936 when he used the scriptural words, a sham and a delusion. Certainly—and I am not going into the question of loss leaders at the moment, although I hope the opportunity does come before we conclude the discussion on this section—in its present form the onus is on the prosecution, provided that the manufacturer or the distributor does not openly advertise the fact that he is refusing to sell because of his belief or his knowledge that the intended purchaser is not maintaining the price; and he will have nothing to fear as regards commodities that have not yet been bargained for or delivered. I place this before the minister with some knowledge of what proof is needed in the courts and some knowledge of combines cases from both sides, prosecution and defence.

If the minister does desire to do more than use a smokescreen in order to delude people into believing that something effective is being done, then section 37A will have to be revamped in order to assure that too great an onus is not placed upon the crown. I think that subsection 3 (a) and (b) will have to be redrawn, otherwise the crown itself will be establishing in law what the onus must be. In my opinion, with proper defence, it would be most difficult if not impossible to secure a conviction for goods that are to be bargained for after the date on which this legislation comes into effect. I bring that to the minister's attention. He may say that it has been considered by the law officers of the crown. That does not in any way deter me from offering suggestions. The law officers of the crown have drawn many laws, and they have been passed by parliament, and on the first occasion that they have found their way into the courts for interpretation, judges who are in no way affected by sentiment or considerations such as that, determining the law, as it has to be determined, by what parliament passes, will not consider what has been said in parliament in determining the degree of the onus or the need of requisite proof in order to establish and discharge that onus.

Mr. Garson: I think I should make a brief reply to my hon. friend and say that we are greatly indebted to get from him the opinion of a man who, as he has correctly stated, has had a great deal of experience in criminal law and in connection with the present act. I am glad to have this opinion. But it so happens that we have also had the opinions not only from the law officers of the crown to whom he referred, but from experienced officers who have had long years of work with the Combines Investigation Act.

Mr. Diefenbaker: Who are they?

Mr. Garson: One of them is Mr. Whiteley, who has been with the department for many years, and another one is Mr. MacDonald, who is a former deputy attorney general of Nova Scotia, and who has been with the department for about three years, and a number of others besides. They do not happen to share the opinion which has just been expressed by my hon. friend, and I must say for my own part that I would be much more impressed with his opinion if he would just go on and state the text that he would suggest to tighten up the hole that he says is now in this section. If he cannot get his criticism down to more definite form than that, I think we shall have to continue to rely upon the opinions of our officers.

Mr. Diefenbaker: Well, Mr. Chairman, my submission is that subsection 3—of course I realize that the hon. gentleman is merely inviting suggestions not for the purpose of giving them consideration, because I found that to be the case in the past—I suggest that subsection 3 in its present form and paragraphs (a) and (b) reduce themselves to a nullity by reason of the particularity and detail given. It is not for me to draft the exact words, but I submit this: that no dealer shall refuse to sell or supply an article or commodity to any person without justification. That will place the dealer in a position so that the crown will not have to establish all of the details, but the onus will still remain on it. It will not have to establish all of the details set forth in paragraphs (a) and (b).

Looking at this, I must say I would be very interested in the first prosecution under this section, provided a company or a dealer did not keep records indicating that the reason for the denial of a sale was that an intended purchaser had refused to resell or to offer to resell at a price not less than a minimum specified by the dealer or established by agreement. If all a dealer does is notify an intended purchaser that on and after a certain date he is on a quota; if he says "We feel that we have sufficient sales elsewhere, and do not have to deal with you. We appreciate the value of your patronage and respectfully decline it", I say there is no court in the country that would convict a dealer in the face of those circumstances. That would be

the condition unless, as suggested by the hon. member for Iles-de-la-Madeleine, the dealer were foolish enough to give reasons either in the letter he might write, or in a memorandum, or in a conversation between his agents and the intended purchaser.

This has all the earmarks of being ineffective. With the greatest respect to those to whom the hon. member has made reference I say that, on the face of it, as the section now stands it will be ineffectual and inoperative; because these people of whom the Minister of Justice speaks with such awe, corporations with powerful counsel, are not going to have their records cluttered up with admissions of guilt or anything in the nature of statements that would come within the provisions of the section in question.

The situation is different under the Combines Investigation Act as a whole. The hon. member for Charlotte mentioned that a combination is sufficient. But the Minister of Justice quickly clarified that suggestion by stating that a combination, in itself, is no offence. Any number of manufacturers or distributors can combine or join together for the purpose of merchandising, so long as they have not the intent, or so long as their actions are not detrimental to the consumer. That was not very difficult to prove—although the Minister of Justice has said that it was—as compared with proving or establishing an offence under this new section. There is a vast gulf in between. One is comparatively easy. But I have read and reread the section, and I suggest that the difficulty the crown will have in discharging its onus by bringing a case within the provisions of subsections 3 (a) and (b), in their present form, is insurmountable so far as the prosecution is concerned. That would be so except in the isolated case where the smaller fellow, without legal talent available to him, may not cover himself. But any group of individuals desiring to evade this amendment and avoid its consequences, in so far as goods for future delivery are concerned, I submit will have very little to fear.

Having said that, I leave it to the minister to either make it effectual or leave it in its present form, as I know he will. But I am confident that when the first prosecution occurs some of my criticism will be justified by what takes place in the court; because it is obvious on the face of it that under the section as drafted the crown has piled upon itself an onus the discharge of which is almost impossible.

[Mr. Diefenbaker.]

Mr. Cannon: I suggest the difficulty of proof will not be as great as has been suggested, because one will be able to proceed by a process of elimination. We will suppose that manufacturer A has been supplying retailer B over a certain period of years, and that suddenly he refuses to supply the retailer any longer. Retailer B is your witness, and counsel will ask him: "Have you been paying regularly? Have you behaved as a retailer should behave toward his supplier?" It will be relatively easy, by a process of elimination, to establish that the only reason the manufacturer has refused to supply goods is the one foreseen by this measure.

One should not forget that in a prosecution of this kind the retailer can be called as a witness. One does not have to rely upon the evidence from the manufacturer. The hon. member for Lake Centre has referred to the difficulty of getting evidence from the manufacturer's records, but I suggest to him that a prosecutor would not have to rely upon that; because in a case like that, if you are going to prosecute it will be because the manufacturer has refused to supply the retailer. The retailer will not be very happy about it and will gladly cooperate with the department. I do not see any great difficulty in the section.

Mr. Fulton: The minister has been referring to the matter of enforcement. How would it apply to dealers who in fact purchase and pay for goods they are to resell, although they are called commission agents? I understand that the enforcement of this measure with respect to a retailer depends largely upon whether he is in fact an independent retailer or dealer, or whether he is an agent in the true sense of the term. What about the man who takes a commission agency, but in fact has to pay for the goods as he receives them, or on a monthly basis? How will the measure apply? He has paid for the goods, although he is described as the agent of the manufacturer.

Mr. Garson: I think my hon. friend will agree that what he has described is a manufacturer's agent working on a consignment basis. He would have a supply of goods from the manufacturer, and would draw on that supply when he made a sale. The circumstances to which the hon. member has referred are, I should think, somewhat exceptional, in that the man in question would pay for his goods outright. What does my hon. friend mean when he refers to paying by the month?

Mr. Fulton: I may have used the wrong expression. I think I used the word "commission", but I meant to say that it would be on consignment.

Mr. Garson: If the goods are on consignment, then I believe the title would remain in the manufacturer until the sale had actually taken place. And it might be that under an arrangement of that sort the conditions to be imposed would not contravene the act. But if my hon. friend will recall the answer I gave previously he will know they all related to a case where there was a transfer of title from the manufacturer to the dealer, who became the owner of the goods. When he became the owner of the goods he had the right to say what the selling price of the goods belonging to him would be. If the title remains in the manufacturer until the time it passes to the consumer, I think in that case the manufacturer would have the right to name his own selling price.

Mr. Fulton: Would that cover service station operators and motorcar dealers?

Mr. Garson: My understanding, and I may be wrong about it, is that a great many filling stations are owned and operated by the oil companies, by employees under the direction of the oil companies.

Mr. Fulton: There may be some, but I am thinking of the genuine dealer who owns his own establishment, who sells a certain brand of motor oil and gas at prices fixed by the oil company. It is his business; it is his property; he owns it, but with respect to the gas and oil he sells at prices fixed by the supplier.

Mr. Garson: I think my hon. friend will agree that even in those cases where the oil company is not operating the filling station but where they have a lessee who gets a quantity of oil and gas from the oil company, title to which remains in the oil company until it is sold—

Mr. Diefenbaker: No.

Mr. Hees: He pays for it.

Mr. Garson: It depends upon whether the manufacturer is selling his own goods direct to the purchaser or whether there is the intervention of another dealer who becomes the owner of those goods.

Mr. Fulton: I should like to deal with the specific basis on which these dealers operate. They own their own business and are supplied by an oil company with a certain line of oil and gas which they have to sell at a certain price. They are not acting as agents of the oil company. They pay for their supplies as they are received, or in some cases on a weekly basis, or in exceptional cases I believe on a monthly basis. They do not act as agents because they have to pay for their supplies. Although they are described in some cases as being agents of the oil company, would such persons be subject to the provisions of this bill?

Mr. Garson: If the dealer purchases the goods outright and then sells them he would come under the amendment, but not so if title to the goods remained in the manufacturer up to the time of the sale to the purchaser.

Mr. Drew: I think there is one aspect of this discussion that perhaps has not been sufficiently emphasized. The government is putting this measure forward with great determination. It is the obligation of the government, first, to know what the effect of this legislation is going to be and, second, to pass on to the members of this house information which the government possesses so the decision may be made with all the essential knowledge in the possession of the government.

It is the duty of members of this house to inform themselves adequately as to the effect of an amendment of this kind. I submit that the question which has been raised goes directly to the root of the problem we have before us. I ask the minister to tell us what is the exact situation in regard to the handling of oil and gasoline. After all, before bringing this bill forward he must have examined each of the great broad groups of merchandising and found out how they operated. I know he would not introduce this bill without having thoroughly considered every aspect. I think he should tell us now just how oil and gasoline is handled and what the impact of this amendment will be. We will then pass on to some other type of merchandise.

Mr. Garson: I do not think the most omniscient of governments could be expected to know all the operations and all the arrangements which oil companies may have with their dealers. I think most hon. members out of their common knowledge will bear me out when I say there are a number of cases in which oil companies operate filling stations with their own paid employees who are under their direction. The title of the goods remains with the manufacturer until they are sold direct to the motorist. That group would not fall within the terms of the amendment.

There is another larger group where the oil company has an arrangement with lessees of filling stations owned by it, under which the lessees are required to maintain the

premises. The oil company agrees to supply the lessee from time to time with oil and gasoline as required, which he in turn sells to his customers. Regardless of what name we may give to that transaction, if the lessee, the filling station operator, or whatever appellation you wish to apply to him buys the oil and gasoline from the oil company direct, pays for it and resells it to the motorist, that transaction would come within the present amendment.

I do not know that I can make it any clearer. I am willing to continue to try to meet the quite reasonable requests of the leader of the opposition, but I think that pretty well covers the field.

Mr. Fulton: Will not the result of this amendment be to drive manufacturers and retailers into a principal and agent relationship, which would not be subject to the provisions of this bill? In order to preserve his competitive position as against his opponents, the powerful retail chains, departmental stores and so on, will independent retailers not tend somehow or other to give their transactions with their suppliers the colour of a principal and agent relationship rather than that of an independent retailer buying from a manufacturer? Surely that will be the effect of this legislation.

Mr. Garson: I do not pretend to answer that question with any particular competence because it has to do with the motor trade and I am not an expert in that field.

Mr. Fulton: Any type of trade.

Mr. Garson: Let us talk about one trade at a time. My answer to my hon. friend's question, for what it may be worth, is no, I do not think so. My impression is that the retailing of oil and gasoline is a pretty competitive business. With conditions as they are at the present time it is rather unlikely that any filling station operator would attempt to reduce the price of his merchandise in order to keep going.

Mr. Graydon: The avenue is open.

Mr. Garson: If there is competition in the field at all it would seem to me to more likely be by companies like the Joy Oil Company, which has introduced some element of competition at the manufacturing level.

Mr. Fulton: The minister has just said that this particular field is pretty competitive, with which I agree, although it is subject to resale price maintenance, as he has just said. In the case of the independent dealers I would say the majority buy their gas, pay for it and then resell it. The minister admits it is a pretty competitive business. However, he has said it is going to be subject to the bill. I cannot see how he can reconcile his two statements and say that the object of the bill is to increase competition when he says on the other hand that this particular business, which is subject to resale price maintenance, is pretty highly competitive.

Mr. Garson: I do not think I said it was subject to resale price maintenance.

Mr. Fulton: The minister did not say that in so many words but in fact it is.

Mr. Garson: It is all very well for the hon. member to say that, but do not imply that I have said it.

Mr. Fulton: Is the minister saying that it is not?

Mr. Garson: No, I am not saying it is or it is not because it has not been necessary for us to inform ourselves on that point.

Mr. Drew: I think the answer the minister has just given is simply further proof that every effort that has been made to obtain reconsideration of the bill has been more than amply justified. We are dealing now with the effect of a specific section of the bill. Previously we were dealing with the broad question of whether a bill in this form should be adopted. Now we are dealing with the specific section and its effect upon the retailing of merchandise and commodities of various kinds. They divide themselves into many fields, and we are dealing with one very important field. In view of the fact that we as members of the House of Commons are asked to support a measure which is going to define as a criminal offence agreements to carry forward certain practices that have been going on for some time, I feel sure the minister would not come before the house and ask us to adopt a bill in this form without having had an inquiry made into the impact upon every one of the major groups of retail sales in this country.

Certainly one of the important groups that would immediately present itself to anyone would be the merchandising of gasoline and oil. Therefore it is not for the minister to say: I do not pose as an expert; I do not say it will have this effect and I do not say it will not have this effect. I think it is for the minister to say to us that certainly they have examined the impact of the bill in this form on the merchandising arrangements of the country. When he is asked what the effect is in regard to gasoline or oil he should be able to say: This is what we have found it will be. If he is asked what the effect will be with respect to another type of merchandising he should be

able to say: I will tell you that. It is in relation to this very important type of merchandising that these questions are being asked. Either the minister knows what the broad division of this type of merchandising is or he does not. If he does, then he should inform us. If he does not, then at this point he should admit he has not the information upon which he should proceed at this time.

Mr. Hosking: Probably if the opposition would take a case that was not hypothetical but practical the minister would be able to give a concrete answer. The position with respect to service stations is that if you own your service station generally one of the oil companies will offer to instal the equipment if you will sell their product. Once you have agreed to do so, then if you are in a position where they will accept your credit they will fill your gasoline storage tank and you may pay them by cheque. If your credit is not so good you will order so many gallons of gasoline, submit a cheque and when it is cashed they will then put the gasoline in the tank. As the minister has said, in a general way, if the service station owner buys and pays for the gasoline he can sell it for whatever price he wishes.

I think his answer was absolutely satisfactory to anyone who understands the trade. I should like to point out further to hon. members of the house who have witnessed gasoline price wars—and I think most hon. members have had some experience on this subject—that surely no one would think that when gas price wars have taken place the brunt has been borne by the lessee or owner of the service station. His profit is far too small, even if he worked for nothing, for him to take part in the gas wars that we have seen take place. They are carried on by the companies. I have never seen any price fixing in this trade. I think it is most unfair to ask the minister to build up an answer to a mythical case, to have an answer prepared for a case that does not exist.

Mr. Browne (St. John's West): I should like to give a practical case. In the city of St. John's, where there are about 60,000 people, there is an agency for Studebaker, one for Ford, one for Chevrolet, one for Pontiac and so on for other cars. There are several hundred parts in a motorcar. What is to prevent a dealer charging a higher price in the future than he has been charging up to now under catalogue prices?

Mr. Garson: He would be prevented by the amendment which provides that the manufacturer, if he wishes, may fix a maximum price for his product and may enforce that maximum price. Therefore if a dealer in St. John's were trying to charge the public more than the present suggested price the manufacturer would only have to fix a maximum price and he could prevent that.

Mr. Browne (St. John's West): But if he does not fix it?

Mr. Garson: If he does not fix it then he must concur in whatever happens.

Mr. Fulton: I should like to follow up the motion we were discussing a few moments ago. I was dealing with the oil business, but let us leave that and turn to the electrical appliance manufacturing field. I understand from what the minister has said that if the retailer buys and pays for the goods himself and then resells them, that transaction, as between him and the manufacturer, would be subject to the bill now before us. If he is an agent of the manufacturer then the transaction between them would not be subject to the bill. To repeat my question, does the minister not believe that if these retailers and manufacturers are interested in preserving their competitive position as against more powerful business concerns the tendency will be for the retailer to take on the colour of an agent so he can continue to get the benefit of resale price maintenance which he feels is the protection he needs against unfair competitive practices of large concerns?

Mr. Garson: Again my answer is no; and again, notwithstanding what the leader of the opposition has said, I cannot honestly claim for myself any great competence in the field of merchandising of electrical appliances. The reason I say no is that when the bill comes into effect I think there is going to be in the electrical appliance field, as indeed there is now in respect of importations from the United States, a competitive area. Therefore the manufacturer who wishes to set up these agency arrangements will have to face this other competition. He may now have a very fine price-maintenance agreement with his own people but with a substantial part of the whole area open to this competition he is going to have to face it and, as was seen during the depression when resale price maintenance was in effect, if conditions get tough enough resale price maintenance will not stand up under it.

Mr. Fulton: I should like to make the observation that resale price maintenance was certainly not in effect in the depression in the same way it is today. I should like to put before the minister the other alternative and ask whether he does not think

the situation may develop that even if retailers do not willingly become agents of manufacturers, yet manufacturers will be forced into the retail field, which would have the same effect of lessening competition rather than increasing it?

In that connection I want to lay before him the evidence given on this very point in the committee by the witness from the Canadian Manufacturers Association, as reported at page 575 of the proceedings. He was being questioned by Mr. Fleming:

Q. My last point is in regard to your statement that the abolition of resale price maintenance will force manufacturers into the retail business. Can you be more specific about that so we can estimate the degree of danger or the extent to which that might become a practice on the part of manufacturers?

A. Mr. Fleming, you are asking me to deal with a situation we have never had to face. As I see it, we would have to adopt the merchandising tactics of, for instance, the Singer Sewing Machine Company, in that we would open our own stores in various places. If you decided to buy a McClary refrigerator you would go to one of those stores, owned and operated by us. We could not possibly provide as many stores as now sell McClary refrigerators but we would try to provide enough to give us a satisfactory volume of business.

Q. What would be the effect on prices, eventually, to the consumer?

A. Well, sir, unless we proved to be more efficient retailers than the retailers in business now, the price would not be any lower. I, myself, have had a long and assorted business experience and I am a little inclined to think that there are very few people who have a talent for manufacturing and who have a talent for retailing also.

Q. Well, in short—

A. I am sure that we would not be any more efficient than the average good retailer today—and consequently we could not sell at any lower price.

The minister has been saying that if the relationship of the supplier and the dealer is maintained, then the transaction will come under the effect of this bill and price maintenance will not be allowed to continue. What I am putting before the minister is that we have had evidence to the effect that the desire of the retailers for the protection of price maintenance is such that when they find that as dealers they are deprived of it as a result of this bill but can get it as agents, they will become agents of the manufacturers instead of dealers. Furthermore, if that process does not take place, then the manufacturers themselves will go into the retail business. There we have the evidence of a manufacturer who says he does not think they would be efficient retailers, but nevertheless they might have to undergo that process. If this bill is enforced, according to this witness it will not increase competition but will really substantially reduce it.

Mr. Garson: When my hon. friend started on his question my mind instantly went to the evidence that was given before the committee and I wondered where I could put my hands on the quotation which would prove that my hon. friend is wrong in his contention. Then the hon. member proceeded to read it to the members of the house. The question which faces the manufacturer in the circumstances to which my hon. friend alludes is this. Can I receive my manufacturer's sale price and get my manufacturer's profit better by selling the article to people who are experienced in the trade or by becoming a retailer myself? If he thinks he can get it better by becoming a retailer himself, for whatever reason, whether it is connected with resale price maintenance or something else, he will go into the retail trade himself. But this witness indicated how he felt, and I read his answer:

—unless we proved to be more efficient retailers than the retailers in business now, the price would not be any lower. I, myself, have had a long and assorted business experience and I am a little inclined to think that there are very few people who have a talent for manufacturing and who have a talent for retailing also.

So there is the answer—

Mr. Fleming: Will the minister just read the next two or three questions?

Mr. Garson: Yes.

Q. Well, in short—

A. I am sure that we would not be any more efficient than the average good retailer today—and consequently we could not sell at any lower price.

The Chairman: Your last question, Mr. Fleming.

By Mr. Fleming:

Q. Is size a badge of efficiency in retailing?

A. No, sir. Size is not a badge of efficiency in any line.

Q. The question put to you this morning was as between the large efficient retailer on the one hand and the smaller inefficient retailer on the other hand, and I take it you are not prepared to say that is a correct reflection of existing circumstances?

A. No, sir, it is an incorrect conception.

Is that enough?

Mr. Fleming: Yes.

Mr. Garson: I do not think that makes any change, if I may say so. The hon. member asked me, will they do that? I say I do not think so, because once that amendment comes into effect and there is competition at the retail level it is reasonable to assume that any substantial mark-ups which now prevail will be narrowed to some extent by that competition. If the manufacturer does not think he can get into the retail business at a profit with the present mark-up he will not do it for less.

Mr. Fulton: The whole situation must be read in the light of the witness's earlier answer, which I read. His earlier answer was that, notwithstanding the difficulty, if resale price maintenance is abolished he thinks there is danger that manufacturers may be forced into the retail business. The minister

appears to have overlooked that answer, so I shall read it again. He read only those parts of the answer which supported his own argument, but the whole answer does not support his argument for the very good reason that the whole answer was subject to the earlier question and answer.

Mr. Garson: May I ask the hon. member this question. If the manufacturer says he cannot see any profit in retailing, why would he worry about getting into the retail business at all as long as he gets his manufacturer's selling price? That is his business. Why should he worry about retailing at all?

Mr. Fulton: Because the point that was being made in the committee was that if resale price maintenance is abolished there is danger that many retailers will find they are not able to stay in business. They will be driven to the wall by the large concerns, and will not be able to take the manufacturer's goods at all. The manufacturer, in self-protection, will be forced into the retail business. This point was made over and over again in the committee, and I am sorry it did not register with the minister. The manufacturers, to protect themselves against the big department stores who want to be the sole outlets for these lines, would have to set up their own retail stores because they do not want—any more than the small merchant wants—to be at the mercy of the big giants in the retail field. They want the little retailer kept in the field. It is in the interests of the consuming public also to see the little retailer kept in business.

The point made by this witness is that if resale price maintenance is abolished the protection the little merchant has will be abolished and he will be driven to the wall, and the manufacturer will be in the position of finding retail outlets only through these giant stores. In self-protection the manufacturers will then be driven to setting up their own retail outlets. It was in the light of the earlier answer of the witness that he felt they may be forced to do that, that he made his later answer. And he was then asked: Supposing you did have to go into the retail field and set up your retail stores, what would be the effect on price? The witness said: We are not as efficient at retailing as the retailers now in the business, so the price would not come down.

The important part of this witness's evidence, which the minister overlooked, was to the effect that if resale price maintenance is removed the manufacturers may be driven into providing their own retail outlets rather than get into the hands of these giants who would now dominate the field.

Mr. Coldwell: I should like to say a word. The hon. member for Lake Centre made a suggestion which I think is worthy of consideration. He pointed to the fact that the clauses as now drafted are restrictive in their nature and that nothing in the present bill would entitle a retailer, whether it be a co-operative society or an individual, to get supplies from a manufacturer. He suggested that there should be a subclause to the effect that no dealer shall refuse to sell or supply an article or commodity without justification. It seems that would cover the whole field. I think it strengthens the suggestion we have tried to put before the house all during this debate, namely that there should be some public board to which the retailer, the manufacturer or the consumer could apply if he felt that he was not getting the kind of deal he should get from a manufacturer. If there is difficulty about the phrase "without justification", as there might be, the board, having considered the application and whether or not there was justification, would make a decision and that decision might be appealed to a court of law. In that way we would be getting nearer what would be just to all those interested in measures of this kind.

What I am afraid of—and the more I hear of the discussion the more fear I have—is that as the section is now drafted it is not sufficiently comprehensive, and that it does not do what many of us would like to see done under this kind of legislation, namely give everyone as just a deal as possible and enable retailers, co-operative societies and so on to get goods they could resell without having to maintain the price laid down by the manufacturer. The evil we are trying to cure, and I know it is an evil, is that there is price control on the part of private individuals, namely manufacturers. That idea is abhorrent to all of us. On the other hand I think we must be careful that we give to all those interested in merchandising—the consumer, the manufacturer and the retailer—the opportunity of competing for the business that exists, and give the consumer a squarer deal than he is getting at the present time.

Mr. Garson: I must confess, Mr. Chairman, that I would not have been disposed to go into any detailed discussion of the suggestion that was made by the hon. member for Lake Centre if it had not made such a great impression upon the mind of the leader of the C.C.F. party for whose judgment I have a great deal of respect.

Mr. Coldwell: I am not a lawyer.

Mr. Garson: I suggest, however, in all seriousness that if we are going to have any

regard for civil liberties, about which the hon. member for Lake Centre is always so solicitous, of the individual citizen, then in creating a new crime we must set some kind of a definition or some kind of criterion of improper conduct. If we merely say, as he suggested, that no dealer shall refuse to sell or supply an article or commodity to any other person without justification, period, what kind of a prosecution would that be, if I may ask? You lay the charge and it comes before the judge and you say: "Well, he did this without justification". "All right", the court will say, "what is justification? What is proper justification?" Surely the hon. member for Lake Centre was not serious when he made that suggestion in the first place. If he says this bill is in bad shape as it is now worded, I would say it would be much worse if this suggestion of his were accepted, because there would be no kind of adequate standard in the creation of a new crime if you merely added the words "without justification". What would justification be? Could any person tell us? There would be no kind of objective act, thought or thing in relation to which justification, as defined as such in the section, could be applied. When we are amending the Combines Investigation Act for the purpose of abolishing resale price maintenance, if we are going to be halfway fair to the subject at all and are going to protect his civil liberties, what we must do is define in definite terms the crime we are committing or rather creating and with which we are proposing to charge him before the law.

Mr. Fleming: "The crime" you "are committing" is right.

Mr. Garson: My hon. friend says there would be great difficulty about enforcing this legislation. Let us just look at it for a moment. If it had not been for the impression made upon the hon. member for Rosetown-Biggar by the suggestion of the hon. member for Lake Centre—

Mr. Diefenbaker: I would not expect it would make any impression on the Minister of Justice.

Mr. Garson: Let my hon. friend not waggle his hands and get excited about the matter.

Mr. Diefenbaker: All right. It does not require any of these smart aleck remarks.

Mr. Garson: My hon. friend says it would be difficult to enforce this legislation. I wonder if he has looked at subsection 2 of section 37A, which reads as follows:

> No dealer shall directly or indirectly by agreement, threat, promise or any other means whatsoever, require or induce or attempt to require or induce any other person to resell an article or commodity . . .

[Mr. Garson.]

I will not list the other provisions. If the dealer does so, it will be in breach of the act. That means that when this implement firm goes out in the spring to make arrangements with its dealers, it cannot enter into an arrangement directly or indirectly, or by any other means whatever, under which there is any implication or understanding that a resale price is to be maintained on its products. That is what it says to start with. If they do that, a charge can be laid under that section.

Suppose the gentleman who is their dealer has obtained a list of the goods on which they have suggested what the resale price shall be, and suppose he sells them for less than the suggested mark-up. This would not take place in a vacuum by itself—from a common sense point of view what would most likely happen is this. If the dealer was a reasonably good man and did it once, they would probably have their block man go around and have a little chat with him about prices. If he did it again they might have another chat. They would not immediately chop off the man who had been a good dealer for them for many years. The time would come, however, when if this little friendly coercion that had been applied did not produce any acceptable response, then they would refuse to supply him with any more goods. Then the dealer would come in to the combines investigation branch and make a complaint and we would investigate it.

My hon. friend says there would be great difficulty as compared with the administration of the Combines Investigation Act. In the case of the Combines Investigation Act we have to go out and get 100 per cent of our evidence from witnesses who are unwilling, from beginning to end, to have anything to do with our investigation. In the case of a prosecution under this amendment the retailer himself is a willing and able witness to assist the crown. He will say that on such and such a date the block man or the salesman spoke to him, and that he spoke with him at another time and then, two or three weeks afterward, his supplies were refused. He will say: It is true they have not said that they have refused supplies for that reason, but I have every reason to believe that is the case.

Notwithstanding what has been said by my hon. friend, who is a lawyer with great experience in criminal law, this is a pure question of fact, as I think he will admit. Under those circumstances if we put the dealer into the witness box, proved what had happened and subpoenaed the block man or the salesman, if the accused corporation was

unable to give any other reasonable explanation as to why suddenly, after some lengthy period of experience, they had refused to give any further supplies, I should think there would not be too much difficulty in getting the judge to hold, under the circumstances, that an offence had been proved under this act. In any event I am perfectly certain that the suggestion which my hon. friend from Lake Centre has made is no improvement.

Mr. Diefenbaker: Mr. Chairman, what I said was that I was not in any way drafting a section. I said there would have to be something along the line of the words "without justification" and I did not particularize. It was obvious that I was in no way endeavouring to draft the section, but I was suggesting that something along that line might have been effective. When my hon. friend speaks of civil liberties and their protection, and concludes his remarks by saying "after we have placed a few suspicious circumstances before the court" and then goes on to say that if the accused was unable to give any other explanation he was sure the court would convict, all I have to say to that is that it is the best exposition of the denial of civil liberties that has ever been given on the floor of this house, because it would be placing the onus upon the accused to disprove something that the crown had failed to prove.

Mr. Garson: I should like to ask my hon. friend what the incorporation of the words "without justification" would do if it would not do that very thing?

Mr. Diefenbaker: That is exactly the point.

Mr. Garson: Certainly, it is the point.

Mr. Diefenbaker: I merely suggested that, by setting out in detail the offences, the onus on the crown was such that it could not be discharged, and that something along the lines of "without justification" would be "without legal justification" and anything in the nature of an offence against section 37A, subsections 1 and 2, would be without legal justification. I am not going to propose the thing; I am not here to try to make a section operative, but I am pointing out what needs to be pointed out in this committee, namely that what is being done is a sham designed to deceive the Canadian people into believing that the cost of living is going to be materially reduced, when in point of fact, on the face of it, this legislation will not have that result in the long run.

If the government had intended to act they would have done something about loss leaders, but they would not do that; it would hurt their great friends. That is the reason they did not act. As a matter of fact they could not draft an amendment regarding loss leaders. Well, an amendment has been drafted in the United States and is before the House of Representatives at the present time. The reason the government, with its overwhelming majority in the committee, refused to allow the amendment of the hon. member for Spadina was that they were afraid they might hurt their great and powerful friends.

Mr. Garson: My hon. friend knows he is not telling the truth when he says that.

Mr. Diefenbaker: Mr. Chairman, I have never asked for a withdrawal in this house. I will not ask for a withdrawal now, but I commend my hon. friend to these lines of Shakespeare:

> But man, proud man,
> Drest in a little brief authority,
> Most ignorant of what he's most assur'd.

That is my answer to my hon. friend. Whether I am truthful or not in this house I will not allow my hon. friend to determine. And if he is big enough he will get up and say: We say things heatedly in debate. I will not ask him to withdraw; I will give him an opportunity to do so.

Mr. Garson: Well, Mr. Chairman, when my hon. friend withdraws the wholly unwarranted imputation which he made against the government I will be very glad to withdraw what I have said.

Mr. Diefenbaker: That is not—

Mr. Garson: Will my hon. friend withdraw? Let us make—

Mr. Diefenbaker: I do not withdraw; I reassert it. I am speaking about the government in debate and my hon. friend is speaking about an individual, and he has no right to say what he said. Apparently, however, that type of debate passes in the legislature of Manitoba. All I have to say is this. I make the statement again that the attitude of the government toward their great allies, the powerful merchants, as opposed to the small merchants of this country, is indicative of the reason why the action against loss leaders asked for by the hon. member for Spadina was denied not only in the committee but also by the government itself.

Mr. Garson: My hon. friend is placing some remarks upon *Hansard* which will no doubt make their appearance in due course in many outlying parts of Canada, and we cannot blame him for that if he thinks this sort of tactic will do him good.

Mr. Diefenbaker: All I have to say to the hon. gentleman is that he should withdraw any suggestion of untruthfulness, not the conclusion. I want to emphasize that. He can criticize the conclusions of any hon. gentleman. I will leave it there.

Mr. Fulton: On the point which appears to give the minister such concern, namely who is going to be helped most by this bill, and who is going to be hurt most, I would ask this question. It is a fact, I believe, from what he has said that the independent merchant who has to buy from the manufacturer will find his transaction brought under this bill. In other words, the small merchants will not be able to get the benefit of maintained prices. Let me ask him this. In the case of Eaton's, who do both manufacturing and retailing, will the bill operate to prevent them from selling the goods which they themselves manufacture through their own retail stores at whatever maintained prices they themselves wish to set?

Mr. Garson: That question has already been answered. Goods which the manufacturer produces and sells himself, naturally he sells, as the owner of the goods, to the ultimate consumer; and he sells for the price determined by himself.

Mr. Fulton: So the giant stores which do manufacturing as well as retailing will not be affected by the bill; whereas the little merchant will be affected. Is not that the case?

Mr. Garson: I would point out to my hon. friend that there will be no change in that respect.

Mr. Fulton: So that—

Mr. Garson: My hon. friend asks the question. Will he keep quiet until I give him the answer, or shall I take my seat until he has finished talking and then get up and answer?

Mr. Fulton: I am waiting for my answer.

Mr. Fournier (Maisonneuve-Rosemont): You are not a waiter.

Mr. Garson: In reply to my hon. friend's question may I say that the present amendment will not change in any respect the practice which prevails in that regard at the present time.

Mr. Fulton: The minister has not answered my question. Is it not a fact that with respect to setting prices, this bill does not affect the giant stores which do their own manufacturing and retailing, but it does affect the little merchant who has to buy his goods from the manufacturer?

[Mr. Garson.]

Mr. Garson: The answer to my hon. friend —and he as a lawyer must know this—is that this bill is of general application, and it affects all firms in Canada equally that come within its provisions.

Mr. Fulton: The minister still does not answer. Will he then answer this question. Is it correct to say that the giant stores which do their own manufacturing and retailing do not come within the provisions of the bill, but the little merchant who buys from outside sources does? I am waiting for the minister's answer. The minister has twice skated around the first question and is obviously unwilling to answer the second. His silence indicates he is stuck, so we will have to let the minister's refusal to answer speak for itself.

Mr. Fleming: It is quite obvious from the answers we have received that the talk we have heard from the government about this bill being designed to stimulate competition is just so much idle nonsense, because it is perfectly apparent from what the minister himself has just admitted that the net effect of this bill is going to be to build up more monopolies and reduce effective competition. We, the official opposition, have been trying to tell the government that. We have tried to do so in the committee, and we have been trying also in the house. It is crystal clear now; the minister has just indicated it by his last remarks, and it is perfectly apparent what course business is likely to take in this country. The effect of this bill obviously is going to be a reduction in the number of independent retail outlets. That did not worry the Minister of Transport this morning. It has not worried the government at any time. It did not worry Mr. McGregor before the committee. No; anybody who cannot survive after this bill has passed can die, and apparently they think his death will be a useful contribution to society. That is the government's attitude. What do we find, Mr. Chairman? It is perfectly clear what is going to happen. The bill has not the slightest application to the case of the big manufacturer, or at least the big merchandiser, who is perfectly free to combine manufacturing, merchandising and retailing. But it will hit the little retailer; and obviously it will hit him so hard that a great many retailers will be forced out of business. And the government likes that. That is what they want. That is what they are out to create by this bill.

Mr. Ferrie: Rubbish!

Mr. Fleming: Let us strip all the pretence from this bill!

Mr. Ferrie: Stop acting.

Mr. Fleming: Let us strip all the pretence from this bill! It is one which will deal damaging blows to free competition in this country. This bill, Mr. Chairman, will have the effect that we have been telling the house as best we could, namely that of playing into the hands of monopolies. I tell you this should be a separate bill and should be described by some such title as this: an act to build up monopolies in Canada; or perhaps it should be: an act to try to save the hide of the government in the face of inflation.

Mr. Ferrie: Nonsense.

Mr. Fleming: Well, I am glad to hear this interruption, because it just illustrates the Hitlerian technique to which I referred this morning.

Mr. Ferrie: Shave your moustache.

Mr. Fleming: The effect of this bill, so far as the so-called big interests in the manufacturing field are concerned, will be to help them, and there is not a member who does not know that by now, even though hon. members opposite are not prepared to open their ears. The big interests have been speaking. The big interests spoke while the committee was in session. Some of them went to the press with their statements. Members of the official opposition in the committee, seeking full information, asked that some of these big merchandising organizations be called before the committee to give evidence. We wanted to know what prompted them to support a measure of this kind. But oh, no; the government majority on the committee would not have them called. Why? Why did they not want some of these big departmental stores called before the committee to give evidence? I will tell you why they did not want that evidence brought out by examination in committee. The big interests have declared themselves to be on the side of the government. Does the government disown their support? There has not been a word uttered in the house or outside of it by any representative of the government disowning the support of this bill by the big interests.

Mr. Ferrie: In Toronto.

Mr. Fleming: No, in any part of Canada. The hon. member who has interrupted me does not confine his support from the big interests to any part of Canada. Because the interests I am talking about are the big interests to be found operating in all parts of Canada.

Mr. Ferrie: In Toronto; that is what you are talking for.

Mr. Fleming: And the effect of the bill is perfectly clear, because the big merchandising interests have made it clear that they like this bill. The hon. member who has interrupted is quite happy to be in the company of the big interests who say they like this kind of legislation.

Mr. Ferrie: We are not fighting for them. You are.

Mr. Fleming: The big interests in this country, so far as this bill is concerned, are on the side of the government; and they have stayed there. And, so far as the small interests are concerned, let me say that those who spoke before the committee said they did not want this legislation. They said it was bad for the retailer.

Mr. Garson: On a point of order, would the hon. member—

The Acting Chairman (Mr. Jutras): I would remind the committee that the hon. member for Eglinton has the floor, and I think we would make better progress if he were permitted to complete his argument.

Mr. Fleming: I had indicated, first of all, where the big interests stand on this bill. They told us several times. And I was in the process of indicating that the small retailer in this country, the backbone of so many communities throughout the length and breadth of Canada, is against the bill.

Now let me ask hon. members: In the face of that, how dare the government maintain this pretence that the bill is going to hurt any of their friends in big business? The Liberal party and this government have made such a tight alliance on this bill with the so-called big interests in merchandising today that never again will any honest person be able to talk about big interests in terms of any political association other than with this government.

Mr. Ferrie: What about the match inquiry?

Some hon. Members: Carried.

Mr. Drew: No. I will return to the subject I was discussing, and in regard to which I received some useful information from the hon. member for Wellington South. I believe it is important that hon. members should know exactly what the facts are when they are being asked to pass a bill of this kind.

We had reached the point where the hon. member for Wellington South gave the minister some information, and said that in connection with gasoline and oil the companies deliver to the retailer, whether it be a garage or an ordinary filling station. He pointed out that in many cases the equipment is supplied

by the oil company, but that the oil or gasoline is then sold to the retailer. As he pointed out, if the retailer's credit is good he gets the oil; if it is not good, he hands over his cheque and the oil is delivered when the cheque is cleared. In other words in that last condition he made it clear that there is an outright sale of gasoline and oil to the man who operates a filling station.

I take his explanation, because he is in that business. If that is so, then the filling station operators are the owners of the gasoline and oil. Under this act, if it means anything, there can be no agreed price. That would be right, would it not, according to the minister? I see the minister nods his head in the affirmative.

Mr. Garson: If my hon. friend wishes me to answer vocally I shall be glad to do so.

Mr. Drew: Yes.

Mr. Garson: I understood from what the hon. member for Wellington South said that the dealer paid for and became the owner of the gasoline and oil, and that it was not price-maintained at the present time. That being so, this amendment would not affect it at all, because it will continue not to be price-maintained.

Mr. Drew: But, Mr. Chairman, I find it difficult to think that the minister has made no inquiry in regard to the handling of gasoline and oil. I find it difficult to believe that he has not, because he mentioned the Joy Oil Company, a name well known when one discusses the matter of agreed prices in the oil and gasoline business. I am simply seeking information as to the effect of it. I think it is generally understood that in regard to well-known brands of gasoline and oil—and we are talking about branded lines—there is not only a standard price for the same lines of gasoline and oil produced by a particular producer, but there is also a standard price for gasoline and oil of the same standard offered by different producers. If that is so, and I think I have stated it clearly, I assume it would come under the prohibition in the amendment before us.

Mr. Garson: Well, I am just as anxious as I can be to accommodate my hon. friend in my answer. But I understood the hon. member accepted the statement of the hon. member for Wellington South, who is actually in the business and who knows what he is talking about when he describes the situation. In relation to the set of facts he placed before the members I have just said, and I now repeat, that the present position is that that price is not maintained. Under the amendment, as the leader of the opposition correctly suggested, it would not be maintained either. If it were maintained it would be contrary to the amendment.

Mr. Drew: I recognize that there must be a question of what the method is. I want to make it quite clear that, from what the minister and the hon. member for Wellington South have said, any attempt to settle agreed prices in the gasoline and oil business, according to the explanation given by the minister, would be in conflict with the amendment now before us.

Mr. Garson: On the part of independent dealers who buy their own stocks.

Mr. Drew: On the part of those who pay for their gasoline and oil in the manner described by the hon. member for Wellington South. Is that right? The minister indicates that that is correct. That being so, we now have a clear picture in regard to that particular business. I should like the minister to tell us if he has considered what the impact of these regulations will be upon the sale of photographic goods.

Mr. Garson: It is hardly necessary to take a poll of all businesses. The answer to my hon. friend's question as applied to any industry in Canada is that where resale price maintenance is practised now it will be made illegal by the present amendment. In those cases where it is not practised or practised very little, the present amendment will have little effect. I take it from what the member for Wellington South said that the gas and oil business was one of the latter cases.

Mr. Drew: I am assuming that when the minister presents this measure he does so with information in regard to its impact upon the various types of merchandising in this country. I point out that there are certain obvious types of merchandising about which we should have some information before we are asked either to support or even to discuss the advisability of details of this kind. Certainly one of the most clearly-defined types of merchandising on a large scale is that of photographic supplies. I think we should be told what is the general practice in that field and what impact the minister expects this amendment will have on that business.

Mr. Garson: Members of the committee will recall that the committee had some difficulty in getting from witnesses who appeared before it an estimate of the area of any trade in Canada in respect of which resale price maintenance prevailed. That is natural because a great many of these resale price maintenance arrangements are not of the character

that are publicized to any great extent. The information we have in relation to the photographic supplies business is that there is a substantial degree of price maintenance. I would think that it is almost completely covered by price maintenance and therefore the impact of the amendment would be more extensive than on the grocery trade for example where there is hardly any resale price maintenance. I think that probably answers my hon. friend's question.

Mr. Drew: Will the minister explain what the impact will be on the sale of books?

Mr. Garson: I believe that there is a substantial measure of resale price maintenance there, but we have not attempted to form an estimate of the percentage for reasons that I have already given. The witnesses who appeared before us and other competent authorities who have attempted to make estimates of the coverage of resale price maintenance in various industries have indicated that they could arrive only at an approximate figure. I have no reference to books in my list, but I believe there is a substantial degree of resale price maintenance in that field.

Mr. Drew: If there is one type of merchandising in which the producer—the publisher in the case of books—advertises both nationally and internationally stated prices, it is in the case of books. In the consideration of this subject in Great Britain they made a most detailed analysis of the method of handling books and the way prices were dealt with. I would have thought there would have been a fairly comprehensive analysis made of that type of merchandising because after all the sale of books is something we do not want to interfere with unduly in view of the part they play in the development of the cultural life of the country. I do submit that we should have some information as to the anticipated impact of this amendment upon established practices in the handling of books in this country? Is the minister not able to add anything to what he has said?

Mr. Garson: My hon. friend has referred, and quite correctly, to the fact that books are published with a resale price indicated. However, it is one thing to make a price of that sort and another thing to carry resale price maintenance into full effect by policing and enforcing the suggested prices. If my hon. friend had gone into the matter at all I think he would find that all inquiries of this sort which have been made by bodies like the Lloyd Jacob committee and other such commissions have encountered considerable difficulty in establishing with any close accuracy the degree to which prices not only are named but are policed after being named in order to see that the retailer adheres to them.

I am sure that the leader of the opposition knows that in Canada many publishers suggest retail prices, and then when their books go into the trade they do not bother their heads about them. The great majority of buyers will adhere to those prices, but they do not bother about those who do not. In order to give my hon. friend an answer with any pretence of accuracy we would have to be in the position of being able to say what percentage of books were put out with prices suggested and what percentage of the prices were effectively policed. I doubt if there is a human being in Canada who knows that. I think it can be said that a substantial percentage are suggested, and I would think that there was a fairly substantial percentage where some attempt to enforce it was made.

Mr. Drew: You mean by the publisher?

Mr. Garson: By the publisher.

Mr. Graydon: What will be the effect of this proposed legislation upon producers or manufacturers in the United States who distribute their products in the normal course of business through retailers in Canada? What is the position with respect to this legislation in relation to that kind of business operation?

Mr. Garson: With all deference to my hon. friend because he may know of some cases of that sort, is it not the usual practice for the United States manufacturer to have a Canadian agent who acts as his distributor for the whole of Canada, or perhaps a provincial agent in each of the provinces? This man looks after sales for him and makes shipments to the trade in Canada. In a case of that sort I think the Canadian representative of the United States manufacturer or the Canadian branch office of the United States manufacturer would come within the definition of "dealer" in subsection 1 of section 37A where it says that a dealer means a person engaged in the business of manufacturing or supplying or selling any article or commodity.

Mr. Graydon: I think we have to consider another point. I do not want to labour the matter but I have had it represented to me on more than one occasion since the legislation was proposed that there is a difficulty with respect to the relationship of United States manufacturers and producers with Canadian retailers. I think we have to consider the possibility that, while what the minister says now may be quite proper practice at the moment with respect to a Canadian general agent, business of course will regulate its affairs in such a way—and it is a normal and natural thing that they should do so—as

to try to come within the law and at the same time carry on as far as they can the practices they have normally carried on in the past. That is a natural and normal thing for business to do. It is possible that in the future there may be a number of United States producers or manufacturers who will be dealing directly with retailers in Canada without the medium of a Canadian agent. In the minister's opinion are there any difficulties with respect to the enforcement of the act so far as United States manufacturers are concerned as opposed to Canadian manufacturers? I ask the question because I do not want to see Canadians, whether they may be consumers, retailers or manufacturers, dealt with in a discriminatory way compared with their American friends across the border. That is my sole reason for asking the question, and I would be glad if the minister would clarify it.

Mr. Garson: Is not the practical answer to my friend that to begin with I should think the percentage of United States manufacturers who would sell directly to the retail trade in Canada would be very small?

Mr. Graydon: At the moment.

Mr. Garson: At the moment. I should think that any advantages they might seek to get in the form of exemption from this legislation, if they could secure it, by dealing directly would not weigh very heavily in the balance against the advantages of being represented by a proper distributing agency in Canada. What would be the object of their dealing directly with retailers in Canada if it were not merely that in relation to the goods which they so sold they could get the Canadian retailer to maintain prices which he would not be maintaining in respect of goods he purchased from Canadian manufacturers. Having regard to the very small area of the total trade that would be covered by an arrangement of that sort, I should think that as a consequence of the competition which would be offered in the remaining area by the fact that there was freedom of trade between Canadian manufacturers and their retailers any advantage of having resale price maintenance between the United States manufacturer and the retailer would be absolutely negligible.

Mr. Nowlan: I should like to direct the minister's attention to the position of producer marketing boards under the legislation that is proposed. I can think of several boards. We will take the one engaged in the sale of tomatoes over a relatively large area in the maritime provinces. That board fixes the prices at which the wholesaler will sell to the retailer. It has to do that because it also has to service trucks, which trucks are servicing outlying rural communities. It has a fear of competition from trucks coming into town and underselling the wholesaler. Therefore it enters into an agreement or at least it implies fairly clearly that you shall sell at a certain price or else it will refuse to deliver to you any longer. Rightly or wrongly, apparently that is thought to be a basis of orderly marketing. It is a practice which is sanctioned by provincial legislation, and I am not sure but what it is also affected by the dominion marketing act which approves of such provincial plans in certain circumstances. Would that practice come within the purview of the legislation now before us?

Mr. Garson: I do not think my hon. friend said so, and if he did I did not catch it, but in all cases I think it is a practice which is authorized by provincial statute, is it not?

Mr. Nowlan: That is right.

Mr. Garson: Then it would not.

Mr. Fraser: There is one question I should like to ask the minister. There are three advertisements for drugs in one of tonight's papers to which I should like to refer. One says "Your cold stopped", and so on, and the price is given as 59 cents at all drug stores. Another one is supposed to stop telltale breath, and it is 25 cents. The third purports to expel something from the throat and is advertised as being 35 cents at all drug stores. Will firms who advertise in that way have to say in the future, "Not more than 35 cents at all drug stores", or are they allowed to put in the price?

Mr. Garson: I want to be as co-operative as I can, but I think I can only repeat what I said previously. With respect to such advertisements that firms are running which is now legal they will continue to be legal after the passage of the amendment.

Mr. Fraser: Then they will be able to fix the price at 59 cents, 25 cents or 35 cents.

An hon. Member: The suggested maximum price.

An hon. Member: Fixed by the retailer.

Mr. Fraser: The manufacturer fixes it for the consumer.

Mr. Cardiff: In other words, the bill is of no use.

Mr. Fraser: You are looking after the big interests.

Mr. Fleming: I should like to turn to another aspect of the proposed section 37A. It is an aspect which seems to me to be of very great importance because it contemplates a complete departure from the principle of the

Combines Investigation Act. One would have thought that, as this measure is put forward as an amendment of the Combines Investigation Act, it would be designed to be in keeping with the principle of the act, but it is not in this very important respect.

Section 2 of the Combines Investigation Act is the one which contains important definitions. It defines a combine as a combination having certain described attributes or a merger, trust or monopoly. Then follow these very important words:

. . . which combination, merger, trust or monopoly, has operated or is likely to operate to the detriment or against the interest of the public, whether consumers, producers or others.

It is inherent in every provision of the Combines Investigation Act illegalizing combinations, mergers, trusts or monopolies that the prohibition or illegalization is not absolute. It is only partial or conditional. In other words, before any combination, merger, trust or monopoly is one within the meaning of the Combines Act it is necessary for the prosecution to establish that such combination, merger, trust or monopoly has operated or is likely to operate to the detriment or against the interests of the public, whether consumer, producer or others. That provision has been in the act ever since it was first enacted, and so far as I know that principle has never been questioned in this house.

If one is to look at Bill No. 36 in that light, one finds in it a complete departure from that principle. There is nothing in the proposed section 37A which imports that qualification into this provision. The proposed section 37A does not deal with combinations, mergers, trust or monopolies as defined in section 2 of the Combines Investigation Act. This proposed section takes up a new subject, and deals with it in terms of absolute prohibition. I submit to you, sir, that departure from the principle of the act is not sound.

I call to mind some of the evidence tendered before the committee on that very subject. When the representatives of the Trades and Labour Congress of Canada appeared before the committee—and may I say that theirs was one of the best and most intelligent presentations with which the committee was favoured—Mr. Bengough, the president, and Mr. Wismer, the director of public relations and research of that estimable organization, had something to say on this subject. I refer now to page 372 of the proceedings of the committee where I asked some questions dealing with this particular matter:

Q. May I ask Mr. Wismer if he feels that this so-called practice of price maintenance is a detriment to or perhaps in harmony with public interest?

A. I think we can say this, in so far as the deal is made privately and enforced privately we would have to say no, but where it is a general practice I think we would have to have a lot more information.

Q. Have you examined the draft bill on page 34 of the proceedings of this committee?

A. I have read the original draft.

May I interject to say that the original draft was, to all intents and purposes, in the same form as Bill No. 36. There was no difference whatever in form, so far as the point I am discussing is concerned.

Q. You will recall it purports to propose blanket prohibition on resale prices. Would you think that is a proper and desirable way of going about this matter, that we have blanket prohibition, or if we are going to have legislation on it should it be left to determine whether in the particular case the particular type of agreement is in the given circumstances harmful to the public interest or not?

Mr. Bengough: It would have to be flexible.

Mr. Fleming: You wouldn't favour a general prohibition?

Mr. Bengough: No.

Mr. Bengough was not the only witness who appeared before the committee who entertained that opinion. At the moment I am not dealing with the other shortcomings of this legislation or with the failure to provide concomitant legislation to deal with the vicious practices I discussed earlier, such as loss-leadering. We are dealing here with the neat question as to whether this amendment of the Combines Investigation Act should be written in terms of a blanket prohibition, without regard to any necessity whatever of proof that the practice is harmful or detrimental to the public interest. In that respect the bill, as I have said, is a complete departure from the principle of the Combines Investigation Act.

It is no answer to say that in the course of judicial interpretation, if the combine has some of the attributes set forth in section 2, subsection 1 of the Combines Investigation Act, that will import, so far as the courts are concerned, that the combination is operating or is likely to operate to the detriment or against the interest of the public, whether consumers, producers or others. I submit that is no answer to the point we are dealing with here, where we have a section which is imported into the act, a section which does not deal with combinations, mergers, trusts or monopolies, but deals with a particular practice which we are told obtains today in certain lines of merchandising.

I submit that if there is anything to be said for legislation of this kind—I am not yielding anything of what I said about this bill—then certainly it can only be contemplated by the house on the basis that it should be within the principle of the main act. What objection could there be to carry-

ing into this proposed section 37A the principle of the Combines Investigation Act that measures dealt with under the act or frowned upon under the act are made illegal only where it is proven affirmatively by the crown that they operate or are likely to operate to the detriment or against the interests of the public? Surely this legislation could not be supported seriously by the government on any basis other than that the government was prepared to assume on behalf of the crown, in any prosecution under the proposed section 37A, the burden and duty of establishing that in that particular case the practice frowned upon was operating to the detriment of the public. I submit, therefore, there are no reasons against preserving the integrity of this essential principle of the Combines Investigation Act. There is no reason for departing from it. I contend that if this legislation is to be entertained by the house, it must be made subject to that essential principle of the act, and its present terms of blanket prohibition must be revised accordingly.

Mr. Garson: Mr. Chairman, the short answer to the point my hon. friend has raised is that the Combines Investigation Act forbids combinations that are undue and against the interests of the public. What my hon. friend has overlooked, I suggest with deference, is that the courts have consistently declared that any substantial lessening of competition is undue and against the interests of the public. In the case of vertical resale price maintenance, the MacQuarrie committee came to the conclusion, and so recommended to the government, that having regard to the present growth of the practice, it does substantially eliminate competition and is therefore contrary to the public interest. On that account it is unnecessary to include this ingredient in the prohibition of resale price maintenance.

Mr. Fleming: I submit that is a totally unsatisfactory answer. When I spoke earlier I anticipated what the minister has just said. I said it was no answer for anyone to contend that by judicial interpretation these words had been construed as contemplating that where there had been a substantial interference with competition the courts would find that the combination, merger or monopoly, if one were found, was in fact detrimental to the interests of the public. That contention has not had the effect of wiping out these words in the act. These words are still part of the act. Nobody has proposed that these words should be eliminated from the act; yet the government now proposes that an amendment be made to the act which will not be subject to these restrictive words.

The minister is not prepared, I gather, to have this amendment made subject to those words which qualify all the provisions of the Combines Investigation Act in relation to combinations, mergers, trusts and monopolies. Those words are still present in the act, but they will have no bearing whatever upon this proposed new section 37A. The minister says it is unnecessary. Do you not think, Mr. Chairman, that it would be a good thing if the crown, in a situation of this kind, were called upon to prove that the practice complained of was in fact detrimental to the public interest? If the minister is so confident that the practice is detrimental to the public interest, do you not think he would be quite prepared to submit to the burden of proving that fact to the court and having the court make a finding to that effect?

The minister's answer is no answer at all to the point I am raising. I suggest to the minister that, far from answering the point, what he has said on the contrary supports what I have said about the desirability of writing these words into this amendment. He apparently is satisfied that they do not do any harm in the act. Why should they not appear in the amendment?

Mr. Fulton: On the point raised by my hon. friend, I think the minister must admit that although the MacQuarrie committee may have come to the conclusion that because the practice of resale price maintenance interferes with their definition of competition it operates to the detriment of the public—

Some hon. Members: Carried.

Mr. Fulton: As I was saying, I think the minister will admit that, although as he has stated, the MacQuarrie committee may have come to the conclusion that because the practice of resale price maintenance interferes with their definition of competition, it therefore operates to the detriment of the public—

Mr. Sinnott: Who said that?

Mr. Fulton: I understood the minister to say that just a few moments ago.

Mr. Macdonnell (Greenwood): Two-job John.

Mr. Fulton: Does the hon. member think I am incorrectly stating what the minister said?

Mr. Sinnott: Who said that?

Mr. Fleming: The minister.

Mr. Fulton: I have told my hon. friend that it was the minister. If he had been following the discussion I think he would have heard the minister say that just a few minutes ago.

Some hon. Members: Carried.

Mr. Fulton: I should like to continue to address my remarks through you, Mr. Chairman, to the minister. I think the minister will also agree that this very practice of resale price maintenance has also been before the courts, and the courts have not held that it operates to the detriment of the public. As the minister knows, it is an accepted principle of our law that if a contract is in restraint of trade to an extent which is prejudicial to the public interest, the contract is not enforceable. In several cases, particularly in the recent Frosst case in Montreal, the courts have had such contracts before them and have not held them to be unenforceable as being against the interest of the public. The minister shakes his head. I know there is great disagreement as to what the Frosst case actually decided. In my view it proceeded on that basis, but in any event there were many other cases where these resale price maintenance agreements have been before the courts and have not been held to be against the public interest.

That being the case, I was not aware that the MacQuarrie committee had been set up as competent to make law or to set aside the findings of law of the courts of the land. If that is the case it is certainly an interpretation of the MacQuarrie committee's functions which was not placed before us. But to say what the minister has just said, and to make that the basis of his statement that it is not necessary to place in the act the words "detrimental to the public", does not in any sense deal with the point raised by the hon. member for Eglinton, who points out that it has always been part of our law with respect to combines that it should be necessary to prove damage to the public interest, and that since in the past the courts have not held those agreements to be detrimental to the public interest, then those same words should be in this present bill rather than a blanket prohibition without any justification in law for such a prohibition being assumed.

The Chairman: Shall the clause carry?

Some hon. Members: Carried.

Mr. Fleming: No, Mr. Chairman. Has the minister not something to say on this matter? He read a statement on the subject which apparently had been prepared for him. Has he nothing to say? What we have heard from the minister briefly on this subject, Mr. Chairman, just illustrates further—if any further illustration were required—the utter folly of the government's actions. They appoint a committee to undertake a study of the whole operation of the Combines Investigation Act; then before the members of the committee have completed their review or made their report the government leap in and say: Come along; let us have an interim report on a particular subject; divorce that from the rest of your study; give us a report in a hurry. The committee makes a report on that particular subject; the government takes that report, manhandles it to suit its purposes, and brings in an amendment which departs from the essential principle of the Combines Investigation Act. If there is to be a departure from that principle which has a good deal of history behind it, I hope it will not be lightly done and that, in any event, it will be done only with full knowledge of its effect upon the operation of the entire act, not by any side-door method such as we are being invited to use here today.

Does the minister say that the principle of section 2 of the Combines Investigation Act is sound or unsound? If he says it is sound, then I invite him to tell us why this amendment should depart from that principle. If he says the principle of section 2 of the Combines Investigation Act is unsound, then let the government bring in an amendment, if they care to do so, to change the provisions of section 2 and manhandle the principle of the act, if they are prepared to do that.

Some hon. Members: Carried.

Mr. Fleming: No, Mr. Chairman. I invite the minister to say whether the principle is sound or unsound.

Some hon. Members: Carried.

The Chairman: Order.

Mr. Macdonnell (Greenwood): Mr. Chairman, before I speak on the point I wish to raise, I should like to ask this question. Are we to understand that a serious question asked by one of the members of this committee most competent to ask it is not going to be answered?

Mr. Stuart (Charlotte): That is your opinion.

Mr. Macdonnell (Greenwood): If that is so, I am going to suggest that this is something new. I would suggest that it is not only new as a matter of government technique but I would also suggest to the minister that it is not in accordance with the courtesy which I

think he tries to maintain even when things are a little bit tense. Am I to understand that no answer is to be given to this question? If so, I will go on to speak on my own point.

Mr. Garson: Mr. Chairman, I have answered this question—

An hon. Member: Four times.

Mr. Garson: —carefully—

An hon. Member: Six times.

Mr. Garson: —and accurately. I can go on and expand my answer for half an hour if you like and I can cite a number of cases and so on; but I would not add very much to the information I conveyed in the answer I gave just a moment ago.

Mr. Fulton: Zero added to zero still equals zero.

Mr. Garson: I do not want to be discourteous to any member of the committee but the fact of the matter is that the hon. member for Eglinton, in his research upon this subject, has gone carefully into the statute but apparently has ignored all the jurisprudence or all the decided cases on the statute. This matter turns upon that point. The detriment to the public which is referred to in this statute has been interpreted by the courts as meaning the prevention of competition; and resale price maintenance in itself is the prevention of competition.

Some hon. Members: Carried.

Mr. Macdonnell (Greenwood): Hon. members had better stop that if they want to get away by next Saturday.

Mr. Langlois (Gaspe): We can stay as long as you can.

Mr. Macdonnell (Greenwood): I meant a week from Saturday.

Mr. Fleming: The minister's reply is not an answer; it is simply an assertion.

The Chairman: Shall the clause carry?

Mr. Fleming: The courts have not held that resale price maintenance is against the public interest. The minister is proposing now that parliament should legislate that to be the fact which the courts have not said to be the fact. I suggest that before parliament embarks upon that course it should take the proper safeguard of stipulating, as is done with respect to the entire operation of the Combines Investigation Act, that the burden should be discharged by the crown of proving that in the particular case the public interest has suffered. He says that where it is proven that competition is substantially lessened the courts will infer from that that the public interest has been detrimentally affected. But, sir, the element he treats as equivalent to a proof of something being detrimental to the public interest is not present with respect to resale price maintenance, because it has not been proven to have the effect of discouraging or limiting competition.

The government has tried to skate around what should be an essential element of proof, knowing that under the proposed section 37A they have to prove that there is an undue limitation of competition before the courts will infer that the alleged combination, merger, trust or monopoly is detrimental to the public interest. Why are they not prepared to do so here? Why do they introduce the entirely new principle of making a total, blanket, outright, absolute prohibition? I will give you a reason. The reason is that the government is not prepared to prove and does not believe it can prove that resale price maintenance is contrary to the public interest. They are not in a position to prove that it has the effect of limiting competition. They dare not go into a court of law on terms of reasonable equality with some accused and submit that issue to judicial decision. They would rather here, where they possess this big majority and use it so tyrannically, legislate in terms of these blanket prohibitions, these blanket condemnations, without submitting the crown to that burden of proof which has been found by long experience and by judicial decision—if the minister is interested in the jurisprudence on the subject of decided cases—to be so essential and wholesome in not only the administration of the Combines Investigation Act, but in all judicial determinations under the act.

Some hon. Members: Carried.

Some hon. Members: Filibuster.

Mr. Casselman: Where have you been all day?

Mr. Martin: The hon. member for Greenwood would not, but the hon. member for Eglinton would.

Mr. Macdonnell (Greenwood): I am glad we have got into committee. In committee questions have to be asked and sometimes answered and I think we get nearer to reality, but one thing is becoming very apparent, namely that the government prepared to stroll into this legislation without nearly as much knowledge as they should have had, merely hoping for the best. I must admit they have been frank about that. They say in effect: We do not know whether much will happen; we do not know what kind of benefit it will have. We hope for the best,

but we are not very sure. I feel that the same principle is being used with regard to the wording of this legislation. The effect of what we are doing now is most serious. We are creating a new crime. Those who are more competent than I to discuss the terms of the legislation and who have been in the courts in cases affecting combines legislation are suggesting that this matter should be taken seriously; they are suggesting that it is worth more than tired and tiresome calls from across the gangway of "carried". Hon. members will not make very much impression that way. All they do is to waste time.

I have two or three remarks I should like to make. I have no apologies for being here and speaking on this, none whatever. If hon. members will look back they will find many instances where not four or five days but several times four or five days were taken on measures less important than this. This is an important measure, and as far as I am concerned I will talk as long as I even hope I have anything to say, but like the Minister of Finance who was cheered so loudly earlier today when he announced he talked only when he had something to say, I hope I have something to say. Whether you have something to say in this house very often appears to depend on how many people are ready to bang the desk when you say it.

Mr. Garson: Hear, hear.

Mr. Macdonnell (Greenwood): I may say that we get used to this state of affairs. It used to bother me a lot, but it bothers me less and less; and sometimes, even though I am a very pacific man, it arouses a certain sense of opposition.

As I say, I am glad we are in committee because it seems to me we are getting closer to things. There is not the same amount of sparring. Questions and answers really produce something nearer to a meeting of minds. I submit that every minute since we have been in committee, every question asked and sometimes answered has made clear the hollowness, the make-believe of this thing. I do hope that the consumers are not going to mortgage their future on what they think is going to come to them out of this measure, because it seems to me the bitter irony has now become more apparent. This is a measure which, in some way I cannot understand, was supposed to be in aid of the consumers. It seems perfectly clear now—and my purpose in rising is to ask a few questions of the minister—that it is inevitably going to set up pressures tending to further combinations, monopolies and near monopolies. That is not something any of us want. I say I do not think any one of us in this house wants it, but we have to consider the consequences of our acts. When people pass statutes they have to try to figure out, even though it is the twenty-eighth day of December, what those acts are going to mean. Only the lawyers will be glad if we pass a statute that is full of vagueness, and which will raise a dozen lawsuits on every subsection. I do not suggest the minister is a lawyer of that kind. Of course there may be some, though not in this house.

I just want to interject one small thing. This is not original. I am sorry to repeat it, but I will be very brief. I just want to say a word on the expectation that this was going to have an anti-inflationary effect. That seems a dim, dim memory. I will say that the government has been pretty frank about it. As an anti-inflationary measure we know now you might as well try to catch Niagara in a teacup as believe that this measure is going to do anything to help out. As a matter of fact—

Mr. Martin: The desks are banging now.

Mr. Fournier (Hull): At 6.15.

Mr. Macdonnell (Greenwood): Do we stop at 6 o'clock or 6.15?

Mr. Macdonnell (Greenwood): I think I am good for that.

Now, I think we should put in a word for the consumer. Of course we have listened to this tiresome talk—and how tiresome it gets! I will not worry about it any longer—that we in the opposition are here representing the big interests. The hon. member for Spadina was worried about that yesterday. He had it on his mind and he, of course, preached a homily about it. But as I say, when we come back to think about the poor consumer and what he will get out of it, we are reminded of the old couplet—with one word altered, because I would not like to use that word as applied to the minister—

> Oh, what a tangled web we weave,
> When first we practice to mislead!

It is nice to remember the words, to go back across the centuries to the language used in the speech from the throne with regard to the inflationary measure. That was to be a measure effective "in counteracting inflation without impairing our free institutions". That is in the true Liberal tradition. I think those were the words of the hon. member for Spadina yesterday—"without impairing our free institutions". Here we have been busy all week creating a new crime which we do not know anything about, and we put it into words so that hon. members opposite may understand. And that is described as doing something "without impairing our free institutions". What a task for a Christmas season!

Mr. Martin: You were never in better form.

Mr. Macdonnell (Greenwood): I do not wish to talk just for the sake of talking. I want to be like the Minister of Finance, and only talk when I have something to say.

Mr. Cannon: Does the hon. member mean that he is now talking for the sake of talking?

Mr. Macdonnell (Greenwood): I will have to leave you to judge that. I never certify myself. Reflected light is much better, if you can get it. But I will say this, that I think the government made clear their attitude about this inflationary business; because so far as I know—and I am ready to be corrected if I am wrong—there were no figures of any kind given or attempted to be given to show how this can in any way affect inflation. It was just a hope. It was a hope, however little it may be. And so far as we can see, it will be microscopic. So far as the consumers are concerned it will be negative. They will have red figures, and they will know what that means.

Here is another fact you have heard before, but I mention it to make my speech complete on the record. There was a way to curb prices. The way was open before them. We told them clearly what they should do; everybody knew what they should do. All they had to do was reduce taxes. We told them that time and again. We have all told them that, but they would not do it.

The Chairman: Order. I do not wish to interrupt the hon. member, but it seems to me he is going somewhat far afield.

Mr. Macdonnell (Greenwood): Mr. Chairman, my only explanation is that I have been led away. However I will come back and talk about the bill. But I think hon. members will agree that I was at least talking about something—if, perhaps, it was not about the bill.

I feel that in this measure we have reached a position of very considerable irony; because it seems to me that while perhaps resale price maintenance was never invented for that purpose, it did in fact produce the result that a large number of retailers were able, in effect, to co-operate. They had all their advertising done for them. It seems perfectly clear now—and this is a question I am coming to in a few minutes—that this is going to be made a crime. That is the point I am coming to, at any rate; that these acts are going to be made a crime, and that the retailers will have to resort to all sorts of devices to be able to co-operate. Co-operation, I think, is a very natural and good thing. It is good to be able to co-operate. There is a recognized and traditional method of co-operation. You may say it was rather incidental, and that perhaps the manufacturers did not intend it that way; but we are ready to take credit for the consequences of our actions even if we do not fully intend them.

Do you think for a moment the government would ever refuse to take credit for some act because it turned out by accident to be beneficial, just because they had not intended it? Of course they would take credit, all the credit they could get. And I think resale price maintenance is entitled to take whatever credit it can in that indirect way; and it is entitled to a lot of credit.

Earlier in the afternoon, when some questions were being asked the minister which he found difficult to answer, the question came up very clearly as to the position of a retailer, let us say, who would no longer find himself in a position where his advertising was done by the vendor of a branded product. And if we are going to have problems, and there are going to be problems to answer as to how they can co-operate—and let me say that I am sorry none of the socialist members are here because they talk a lot about co-operation—

An hon. Member: Not one of them is here.

Mr. Macdonnell (Greenwood): But have they fallen for this measure? As the hon. member for Eglinton has said, if there is anything certain about this measure, whatever its intention was, it will not bring down prices. No one has ever given assurance that it will. But some things are certain, and the first is the fact that it will give greater advantage to certain large distributors; second, that it will be a greater effort for the small retailers to resist these huge colossi, as they were called earlier in committee. They will, of necessity, have to try to co-operate.

Now co-operation, we have always been told in this house, is a good thing. I submit it is an irony that this bill will have the effect of jeopardizing and perhaps destroying that co-operation.

The point I wish to make is this, and I would ask the minister this question: Tip Top Tailors are, I believe, rendering a very useful service because they supply a good quality of goods at a very reasonable, indeed a very low price. I understand their business is of this nature: First of all they are manufacturers. Secondly, they are retailers with a great many stores of their own. Then thirdly, they sell to other retailers. Now what will be the results of this legislation as applied to that

company? It will not affect them as manufacturers, of course. It will not affect their retail stores. But what about the other retailers who have been selling their goods? Will they be able, so to speak, to get under the cover of the advertising put out by Tip Top Tailors; or will that be an infringement where, as the minister described this afternoon, the retailers could not get together.

Before I sit down and before the minister answers I would like to refer to two or three methods which I understand are being used now by individual retailers to try to meet—and it is difficult because it is only arising—a situation which will be closely parallel to what will appear among the retailers when this bill is passed. I am told that the Red and White stores were pioneers in co-operative advertising and that this advertising was a factor in keeping the independent merchant in business in the face of the modern development of department store advertising. Secondly, in the case of Red and White stores I understand that the individual merchant who owns his store pays a fixed sum per week to the wholesale house as his share of the cost of advertising. That is given as an example of resale price-fixed items being advertised and the establishment of offering prices. There is a third illustration from the United States which may be somewhat different, although not substantially so. It is recalled that thirty or more years ago in the United States a printers' association published a list of suggested prices for its membership. This service had to be withdrawn from the membership, but it was replaced shortly after by a private organization which sold the same service of suggested prices to printers throughout the United States at an annual fee.

I put this question to the minister, particularly with regard to Tip Top Tailors and these other illustrations I have given. It seems to me these cases I have mentioned and those that came up this afternoon indicate that whatever effect this bill is going to have, it is inevitably going to create a problem which will tax the ingenuity of skilful lawyers. When I say that, I am not criticizing them. What is being proscribed here, what is being attacked here, is something which has the imprimatur, you might say, of some of the best and finest brains that have studied this question.

People who are treated in this way are going to have a sense of injustice. I think it is a terrible pity when legislation is passed which will leave a sense of injustice in the minds of thousands and thousands of citizens. If we did not have enough evidence before coming into committee, surely we have enough now to show that this is half-digested, that it has not had the discussion pro and con that it should have.

Leaving that, I come back and repeat that it seems a thousand pities that we have to pass a bill which no one can bless any more than to say that he hopes it may somehow do good whereas, on the other hand, its evils stick out just like red flags.

At 6.15 p.m. the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Macdonnell (Greenwood): Mr. Chairman, just before 6.15 I had asked the minister certain questions. Perhaps he would answer them now and then I can make any further observations I have.

Mr. Garson: I would prefer my hon. friend to repeat his question so I will be sure I have it in the exact terms in which he asked it.

Mr. Macdonnell (Greenwood): The minister will recall I was referring to the difficulty which it seemed to me would arise—indeed it became very evident—in the case of retailers who in effect through resale price maintenance have had a method of co-operating; that is to say, they had their advertising done, and that has been one of their chief problems. We were given an illustration this afternoon of the difficulty of common advertising within the existing law if it is to be done by the retailers themselves. I brought to the attention of the minister the instance of Tip Top Tailors, describing them as first of all manufacturers, second as retailers with quite a large number of stores of their own, I believe, and third as having relations with other independent retailers.

I said to the minister that as I understand it what will happen will not in any way affect their own selling operations to the extent they act as their own retailers, but I said it seemed to me that the independent retailers who have been using Tip Top Tailors' goods would now be faced with the problem which came up several times this afternoon, and I asked the minister to state just where in his opinion they would be left. Of course the background of my question was the fact that apparently the co-operation which they have been able to exercise up to the present will have the difficulty now facing it which, as I understand it, was outlined several times this afternoon.

Mr. Garson: May I ask my hon. friend if the advertising he has in mind contemplates the naming of the associated dealers in the advertisement?

Mr. Macdonnell (Greenwood): That is one of the questions I wanted to ask the minister.

Mr. Garson: My hon. friend must give me a statement of the facts upon which he wants an opinion.

Mr. Macdonnell (Greenwood): Let me ask the minister to answer it on both suppositions, that their names will be mentioned and that they will not be mentioned, the two alternatives.

Mr. Adamson: In many cases they are mentioned. I have seen advertisements with the names of the firms.

Mr. Garson: Are the suggested prices also mentioned?

Mr. Macdonnell (Greenwood): I understand so.

Mr. Garson: Your question is whether, if Tip Top Tailors issue an advertisement naming suggested retail prices and the names of their dealers throughout the country, that would be made unlawful by the present amendment?

Mr. Macdonnell (Greenwood): That is really the question. I understand that the prices are what are called nationally advertised prices. The advertisements are well known.

Mr. Garson: I apprehend that the arrangement for what we may perhaps call a common advertisement by a manufacturer and associated dealers, and naming suggested retail prices, which is legal now, will continue to be legal after this amendment is passed provided it does not form part of a requirement or inducement to the said dealers to sell the advertised goods at the suggested retail prices and does not eliminate competition to such a substantial degree as to amount to a combine. Before my hon. friend looks too mystified by that answer, may I say that the advertisement per se is quite all right provided it is not a part of or associated with a deliberate contravention of the proposed resale maintenance provisions of the Combines Investigation Act.

I should like to make the suggestion it is pretty difficult to imagine a manufacturer advertising prices for his dealers in that way after this amendment comes into effect unless there is some arrangement for those dealers to adhere to those prices. I should think the cautious manufacturer who is desirous of obeying the law would overcome the difficulty by mentioning maximum prices only, which he has a perfect right to do under the proposed legislation.

Mr. Fraser: I asked the minister this afternoon if they would not have to put in their advertisements that the price was not more than a certain figure, and he said no, that they could carry on as at present.

Mr. Garson: With all deference to the hon. member for Peterborough West, I am quite prepared to have *Hansard* stand with his question and my answer. That will speak for itself.

Mr. Fraser: That is what I asked. I asked if they would not have to put in not more than such and such a figure.

Mr. Adamson: There is a common device in the advertising of a line whereby all the dealers in a certain community will take a full page advertisement to advertise a nationally known branded article or group of articles, General Electric, Westinghouse, Moffatt, or half a dozen other nationally known products. All the local dealers are mentioned at the side of the advertisement and in the centre the articles for sale are named and the price. I assume that under this law that will be illegal.

Mr. Garson: That is not what I said. I chose my words as carefully as I could. I said that would be quite all right provided it did not form a part of a requirement or inducement. In other words there is no harm in the advertisement itself, but if the advertisement is employed as a device or part of a device whereby the manufacturer induces or requires the dealer to sell at not less than that suggested price it will become an offence under the act. In other words the man who wants to obey the law, who wants to confine himself merely to advertising his product and, if you like, the names of his dealers, and the suggested resale prices and who stops there will be all right, but the man who employs that device of advertising as part of a scheme to impose resale price maintenance upon his dealers will contravene the act.

Mr. Adamson: I am not learned in the law but to me that would seem to be, in legal terminology, a nice point. What is an advertisement if it is not an inducement to people to buy? If a manufacturer, the General Electric company or any of these others I have mentioned, puts an advertisement in the paper indicating the dealers, surely that is an inducement for the dealers to sell and the public to buy. If they are not inducing people to purchase their goods, surely there is no sense in advertising.

Mr. Garson: I assumed the hon. member had read the bill and had noticed that the bill refers to a requiring or inducing the retailer to sell the goods at not less than a certain price. It is not an inducement to the consumer. The whole point of the matter is this, that there is nothing wrong with a manufacturer having this common advertisement naming his price or naming his dealers providing it definitely stops at that; and then each one of these dealers is at liberty, once he has paid for the goods, to sell them at any price he pleases, except that he must not exceed the maximum price the manufacturer may have imposed.

However, I agree with my hon. friend that publication of an advertisement like that does at least set up somewhat the prima facie appearance of there being an understanding that these prices will be maintained. For that reason, as I suggested a moment ago, I would think that a manufacturer who was desirous of complying with the law, and who was a cautious man, would name the maximum price in this advertisement which he can do under the proposed amendment, and then there would be no question at all about his position. Those who buy from the retailers would know they would not have to pay more than that price, and possibly it would be less.

Mr. Adamson: I have read the bill, and the minister has stated exactly the difficulty that does arise. While the bill mentions minimum prices and the prohibition of maintaining prices, it is surely fruitless for a manufacturer to have an advertisement listing his dealers—which is an expensive mode of advertising—and then state a maximum price. In effect he would be saying, "Go to it, boys, and make your own deal with each one of these dealers." In ordinary terms of he trade, that seems to me an unrealistic approach to the thing. It seems to me that if you are advertising a motorcar or any major piece of equipment needed for the house, you are advertising it at a price. You advertise two things, the quality of the goods and the price at which they are sold. You would seem to be saying this is the quality of the goods and this is the maximum price, but get it for what you can. There is a list of the dealers in the advertisement, but the implication is that the stated price is not necessarily the price at which you can buy the article. This is going to be a great restraint upon trade, because you may go to your local dealer for a certain piece of equipment and he may give you $10 off the maximum price, another dealer may give you $2 off and another may not give you anything. In point of fact it is going to be very confusing, and very difficult to establish a proper price to pay for a stove or something like that of a certain quality.

I admit that it may be desirable, but I think it is going to be confusing. You cannot name a suggested price, but you can say what the maximum price will be. As the trade is now, many of these goods are sold on a trade-in basis and a suggested price. If a person knows a dealer he may get a better allowance on the article he trades, so there is not much rigidity there but the suggested price is the same. If you have a suggested price and a maximum price, it seems to me you are going to have quite a bit of confusion in the merchandising of this type of equipment. Whether it is good or bad economics, or whether it is good or bad socially or any other way, it seems to me you are going to have a certain amount of confusion which is not desirable.

Mr. Macdonnell (Greenwood): I want to return to my question for a moment. I am quite prepared to believe it is my own limitation which brought it about, but I must admit that after hearing the minister make an explanation of the necessity of ascertaining what was in the mind of the dealer when the advertisement was put out, I really felt that one would need a psychologist or mental analyst as well as a lawyer to understand it. If anyone asked me to repeat what the minister said, summing up all I could get out of it I would say that if you broke the law, you broke the law.

Let us go to the case of Tip Top Tailors and the question of the advertisement. Incidentally, it seemed to me as I was listening to the minister that we have been talking so much about resale price maintenance as though it were a minimum price that we have overlooked the fact that it is also a maximum price. Let us go back to Tip Top Tailors and the situation I put to the minister. Presumably they will be able to advertise just as they have been doing at a certain price, that is in so far as they are selling themselves. Would the minister agree with that?

Mr. Garson: Yes.

Mr. Macdonnell (Greenwood): Then I understand that if Tip Top Tailors are going to advertise in such a manner for the independent retailers who have been acting as their agents, or whatever the proper legal term is, if they are still going to be allowed to carry on business and sell goods through the independent retailers, then the terms of advertisement have to be changed to state that is the maximum price?

Mr. Garson: No. I was afraid my hon. friend would misunderstand my reply so I took the precaution of putting it down in writing to enable me to refer back to it.

Mr. Macdonnell (Greenwood): It was not deliberate, I may say.

Mr. Garson: I know that, but these questions that are being asked arise out of the bill before us which has to do with resale price maintenance. They also involve consideration of the Combines Investigation Act itself, and therefore, even for a lawyer much less a layman, these questions present some complexities and require careful and accurate statements of fact as a basis for a question and a careful reply. What I said was that the arrangement for a common advertisement by a manufacturer—in this case Tip Top Tailors—naming associated dealers and suggested retail prices, which is legal, will continue to be legal after this amendment is passed provided it does not form part of a requirement or inducement to the said dealers to sell these advertised goods at the suggested retail prices and does not eliminate competition to a substantial degree so as to amount to a combine; that is, so that it is not a case of resale price maintenance on the one hand or a case of a combine on the other.

As I said before—and I have not this written out—the manufacturer who wants to obey the law and who is not going any distance beyond this advertisement to require or induce his associated dealers to sell at not less than these suggested prices will, I think, have no difficulty. But the manufacturer who uses this advertisement along with other devices in order to require or induce his dealers to practice resale price maintenance and not sell at less than that figure will contravene the act. It was for that reason I suggested that a manufacturer who wanted to be quite in the clear and in compliance with the act could do so by no more complicated device than simply naming his price as a maximum price.

Mr. Macdonnell (Greenwood): It has been both maximum and minimum.

Mr. Garson: No. If he names a minimum price, that is a price below which the dealer cannot resell.

Mr. Macdonnell (Greenwood): Would the minister not agree that it is a maximum in this sense, that the manufacturer would object just as much if the dealer sold above that price?

Mr. Garson: He would object if he sold above that price; but under the proposed amendment the manufacturer can fix and enforce a maximum price whereas he cannot fix nor can he enforce a minimum price. He cannot prevent the dealer from going below his suggested price, but he can prevent him from going above the suggested price.

[Mr. Macdonnell (Greenwood).]

Mr. Brooks: May I ask the minister this question. Could not his price be both his maximum and minimum? Could they not both be the one price?

Mr. Garson: Yes.

Mr. Brooks: Yes.

Mr. Garson: Well, no; it could not be a minimum price because a minimum price is barred. A minimum price is a price below which the dealer cannot go, and that is barred by the proposed legislation. But the manufacturer can fix a maximum price because, under the legislation, he will not only be able to fix a maximum price but he can take any steps that are proper to enforce it.

Some hon. Members: Carried.

Mr. Adamson: Might I suggest that, in order to overcome the difficulty, advertisements will have to have at the bottom of them some such lines as advertisements for stocks now have in order to overcome S.E.C. difficulties: "These goods having been sold, this advertisement appears as a matter of record only." There is one question I should like to ask the minister in connection with subsection 3 which reads as follows:

> No dealer shall refuse to sell or supply an article or commodity to any other person for the reason that such other person . . .

And so on. The reasons given there are price and other things. There is one case, I think, where a manufacturer was unsatisfied with the method of marketing adopted by the dealer. I think there was one case where the manufacturer's products were sold in an unattractive way, and another case where they were sold together with second-hand goods.

An hon. Member: What product?

Mr. Adamson: The manufacturer said: I will not supply you with any more goods because your practice of retailing destroys the quality value which my goods have built up during the years I have been advertising nationally. I do not know whether that case was ever tried in the courts, but I know of one or two cases in which a manufacturer refused to sell to a dealer or to a wholesaler.

An hon. Member: What cases are they?

Mr. Garson: What was the question?

Mr. Adamson: Whether it is merely a matter of price or whether a manufacturer

may withhold his goods from a retailer because he is dissatisfied with the method of retailing.

Mr. Garson: I think the bill makes it quite clear that whatever reasons may be lawful at the present moment for a manufacturer refusing to deal further with his retailer are left quite untouched by this bill, except the reason that he has broken a price which the manufacturer has fixed. If the manufacturer refuses to deal with the dealer because he is a poor credit risk, for example, or for any other good reason, his right to take that position is left quite undisturbed by this present bill.

Mr. Adamson: And if it is because of his method of marketing, he is left quite free?

Mr. Garson: Assuming that under the law as it now stands he could sever his connection—and I suppose that would be the case —then this bill will not affect him at all.

Mr. Diefenbaker: Mr. Chairman, I should like to ask the minister to explain subsection 2 of section 37A which reads as follows:

> No dealer shall directly or indirectly by agreement, threat, promise or any other means whatsoever, require or induce or attempt to require or induce any other person to resell an article or commodity . . .

And so on. What is contemplated by the words "or any other means whatsoever"? What other means would there be than agreement, threat or promise that was contemplated in drafting the bill in this form?

Mr. Garson: Those words were inserted to indicate that the banning of these acts of requiring or inducing dealers was complete and that it did not matter by what means the requiring or inducing was brought about, it would be contrary to this section.

Mr. Diefenbaker: The minister must have in contemplation means that have been used other than agreement, threat or promise. What other means have been utilized over the years which this portion of the proposed amendment to the law is intended to cover?

Mr. Garson: I think the words my hon. friend has read—"any other means whatsoever"—are largely self-explanatory.

Mr. Diefenbaker: Yes.

Mr. Garson: They include all means of every kind which can be foreseen now or which cannot be foreseen. There is no limitation to them at all.

Mr. Diefenbaker: I put it this way. When this was drafted had the minister any means in mind other than agreement, threat or promise by which the resale had been affected in the past?

Mr. Garson: No; if we had we would have included them before we listed "any other means whatsoever".

Mr. Drew: I recall that earlier today the minister was very emphatic in his statement that if we are to create some kind of a crime, then surely we must define the crime. With that one statement the minister made today I agree. Surely if there is to be a crime that will call for severe penalties, then that crime should be defined so anyone may know it. Here in this legislation we have the statement that:

> No dealer shall directly or indirectly by agreement, threat, promise or any other means whatsoever, require or induce or attempt to require or induce any other person to resell an article or commodity . . .

Before hon. members pass this they should know what the crime is that is contemplated by that all-inclusive term.

Mr. Garson: With great respect, Mr. Chairman, I think the crime is very explicitly defined by this section. The crime is that of requiring or inducing or attempting to require or induce any other person to resell an article or commodity, and then:

> (a) at a price specified by the dealer or established by agreement—

And then follow (b), (c), (d) and (e). The reference to agreement, threat, promise or any other means whatsoever is a listing of the means or method by which the crime may be committed. The crime itself is the requiring or inducing or attempting to require or induce, and I think it is very explicitly stated. But there may be means of committing that crime other than by agreement, threat or promise, which we cannot now foresee and we simply describe them in the terms of the legislation as "or any other means whatsoever". It is not unfair to the accused because a conviction cannot be obtained against him unless we can prove that he has required or induced a dealer to commit the offence.

Mr. Rowe: You had better put it verbally.

Mr. Fulton: I should like to turn for a moment to another aspect of this matter, which has been referred to in the course of the previous discussion. Has the minister or the combines commissioner given any consideration to the type of legislation or protection which they have said might be introduced if the practice of loss-leadering or other abuses which have been referred to should become widespread? I ask the question because it must be agreed that should these practices in fact become widespread; should it develop that there is, as I maintain there is, a real danger of loss leaders, then it will not be sufficient just to act at leisure to work out some legislation to protect against it.

Because of the pace at which economic developments proceed nowadays it will be necessary to act very quickly if we are to protect a large number of retailers and prevent a situation which might cause devastation in the retail trade generally. Therefore I ask the minister whether any consideration has been given to the type of legislation, or additional protection, which might be recommended to parliament—those were the words used—if it should turn out that as a result of the present legislation loss-leadering and such other abuses—unfair competitive practices in general—become widespread.

Mr. Garson: My hon. friend himself was a member of the joint committee, and will recall the terms of the committee's report. I think he was one of those who did not concur in it. The committee said they did not think that as long as the present economic conditions continued there was any great likelihood of loss leaders or of predatory price cutting, but in the event of it taking place they suggested that the provisions of section 498A of the Criminal Code, which was designed for this very purpose, should be very rigorously enforced by the combines investigation branch, and that if the provisions of section 498A should prove inadequate for the purpose for which they were originally drafted we should consider other legislation to meet the particular kind of abuse which would then be apparent.

Our experience in connection with section 498A has been that as long as economic conditions have remained in the condition in which they have been during the past ten years or more there has been no call upon the combines investigation branch for the invocation of that section. And that has been why on only a few occasions have we had to invoke it.

We have given a great deal of thought, not only at the present time but on previous occasions, to the question of loss leaders. On one point, particularly as to what is a loss leader, my hon. friend from Kamloops will recall that before the joint committee we questioned—and he was one of those who took part in the questioning—several of the witnesses to secure a definition of loss leader from them. He will recall that the definitions were in great variety, and that those who gave them were wary about committing themselves to what they would regard, and what they thought the trade would accept, as an adequate definition of a loss leader.

Should it become apparent that section 498A is not adequate to deal with any abuse of that sort which might make its appearance, then we are in a position, because of the work which has already been done, to follow out quite quickly any policy which might be agreed upon by the government at that time. But our own view coincides with that of the committee, that as long as present economic conditions continue there is no substantial likelihood of widespread predatory price cutting or loss leaders.

Mr. Fulton: I take it from the minister's answer, then, that the government have not in contemplation any legislation which they might introduce quickly should it turn out that the practice has become widespread and that retailers are suffering. In other words they will wait until after the horse is stolen before locking the door.

Mr. Garson: I think I would prefer to have my remarks stand as they are without the modification my hon. friend has attached to them.

Mr. Fulton: Perhaps the minister might care to comment on the statement made by the Prime Minister yesterday when he said, as reported at page 2385 of *Hansard*:

> I made the statement the other day, and I repeat it, that if as a result of this legislation—

That is the bill now before us. I continue:

> —or as a result of any other condition there develops a contrary abuse—

Having in mind, obviously, this practice of loss-leadering, the Prime Minister continued:

> —the government will consider what recommendation it should make to parliament to deal with that contrary abuse.

Am I to understand that the government has something in mind by way of a concrete proposal to take care of that situation, should it be shown that the danger exists?

Mr. Garson: What my hon. friend is to understand and what I have already tried to explain to him is that in our department we have given very careful consideration to this question and, should the occasion arise in which legislation is required, a great deal of spadework has already been done. I think we would be able quickly to carry into effect any policy on which the government might come to an agreement, in line with what the Prime Minister has said.

Mr. Fulton: Can the minister tell us what that spadework is?

Some hon. Members: Oh oh.

Mr. Fulton: I am sorry, but I have to say I am not in agreement with hon. members opposite who take this sanguine view of the position today with respect to the safety of retailers throughout Canada. They seem to believe that the independent merchants are

not faced with any danger if this legislation is passed. Now, I am trying to be reasonable. It is difficult to make any sense—

Some hon. Members: Oh, oh.

Mr. Fulton: It is difficult to make any sense out of the growls and mutterings that arise from the ranks of the Liberal party opposite, particularly interspersed as they are by senseless comments of the Minister of Finance.

Mr. Abbott: And you are a pretty good judge of senseless comments.

Mr. Fulton: We so often find, when *Hansard* comes out the following day, that the Minister of Finance has excelled himself in this regard.

Mr. Abbott: Hear, hear.

The Chairman: Order. The hon. member should direct his remarks to section 1; and I would ask other hon. members not to interrupt.

Mr. Rowe: Be careful of the ministers.

The Chairman: I would ask hon. members not to interrupt, and I would also ask the hon. member who has the floor to confine his observations to section 1.

Mr. Abbott: Hear, hear.

Mr. Rowe: Be careful of the ministers.

Mr. Fulton: Perhaps, Mr. Chairman, you might amend your request to hon. members opposite and suggest that if they wish to interrupt they do so one at a time. I can take them, one at a time.

Mr. Rowe: And stand up when you interrupt, too.

Mr. McCann: You try it.

Mr. Rowe: Oh, you are the great legal light over there.

Mr. Fulton: As I was about to say, had I been able to make myself heard—

The Chairman: Order.

Mr. Fulton:—many of the witnesses before our committee expressed themselves very definitely to the effect that, although they were somewhat in favour of the legislation to eliminate the practice of resale price maintenance, they were of the opinion that at the same time some protection must be afforded to the retailers of Canada against the practice of loss leaders. In that regard I would like particularly to refer to the evidence of Mr. Bengough, president of the Trades and Labour Congress of Canada, when he was being questioned by the committee. He was asked what, in his view, should be done about this practice. At page 372 of the proceedings we find this question:

> What is your view; would you agree that it would only be fair, if we are going to introduce legislation to outlaw in blanket fashion all price maintenance agreements, that we should at the same time introduce legislation to prevent the loss-leader practice?

To that Mr. Bengough replied:

> "I think it would be vital it should be done."

What we are concerned about here is that we are confronted with legislation which, without any necessity on the part of the crown to prove that a particular price maintenance agreement operates to the detriment of the public, makes the general practice of resale price maintenance illegal. If that becomes law, there will be no method left by which an individual retailer, or retailers in general, can protect themselves against the practice of loss leaders. I do not think any member opposite can deny that statement. If this practice of resale price maintenance is outlawed, as it will be by this legislation, there is no method by which the retailer as an individual or retailers as a class can protect themselves against the loss-leader practice. Therefore the question surely is pertinent: by what alternative method does the government intend to protect retailers against the loss-leader practice? Because it has been proven to be the greatest threat against the existence of the individual independent retailer.

I am not going to read again the evidence I placed upon record before with regard to the findings of the royal commission on price spreads. I shall not put on record again the dangers to small retailers from the loss-leader practice, the extent to which it has been used, and the extent to which in the retail field it has led to the concentration of power in a few hands. Those facts are well known to any hon. member who will open his mind to the situation which does exist.

What we are asking is this: What method have the government in contemplation, what steps have they taken, and what steps are they prepared to take to protect retailers against the abuses to which they have been exposed in the past, against which they have been protected by the resale price maintenance system and to which they will again be exposed if this legislation passes? The minister has said his department feels it is well able, as a result of its research and studies, to take steps to deal with the situation rapidly should it arise. I am asking the minister to outline what those steps are, and what conclusions they have arrived at.

Some hon. Members: Carried.

The Chairman: Shall the section carry?

Some hon. Members: No.

Mr. Diefenbaker: Mr. Chairman, the matter that has been raised by my hon. friend is one that exercises the minds of retail merchants everywhere in this country. I would point out particularly that it is a matter of concern to the retail merchants of Saskatchewan and their organization in that province. One of the requests they have made—it is a reasonable one, and should not be treated in the cavalier and disrespectful manner shown by some hon. members—should be faced squarely and fairly. The retail merchants of Saskatchewan were denied the opportunity of presenting their arguments in support of their brief. One of the things they fear particularly is set forth in the current issue of the *Western Retailer*. I refer to the question of loss leaders, which has been discussed by the hon. member for Kamloops.

This brief, prepared by Mr. R. E. Walker, a man of long experience in the retail trade before he became chairman of the retail merchants association of Saskatchewan, requests information from the government as to what would be done to protect the retail merchants from the dangerous possibility of loss leaders. The Minister of Justice has said that his experience and that of the government is that there is nothing to fear at this time, with economic conditions as they are today. In the brief of the retail merchants of Saskatchewan the following appears:

We have long maintained that we can compete—

And when they say "we" they mean the independents.

—with mass merchandisers if they will refrain or preferably if they are prevented from instituting unfair practices which are not within our capacity to meet.

And the unfair practice to which reference is made at the present time is the practice of loss leaders.

We submit, gentlemen, that resale price maintenance has had the effect of restraining mass buyers from such unfair practices and which has done so, as we have attempted to demonstrate, at no cost to the public, as confirmed by the royal commission on prices of 1949. And we further submit that if resale price maintenance is declared illegal,—

By "illegal" apparently is meant if it is set aside by parliament.

—that there can be no effective legislation, confirmed by the Stevens report, to curb these vicious unfair practices so clearly demonstrated and recognized by this commission. We think it would be of interest to this committee to discover whether the Hon. Lester B. Pearson and the Hon. James L. Ilsley, both of whom have served as cabinet ministers in the present government, and both of whom were members of the royal commission on price spreads—

[Mr. Fulton.]

The hon. gentleman was secretary of that commission, as I remember.

—would testify that the conclusions which they arrived at through a study of the history of many, many years of business, were only valid for a temporary period, or whether they consider these conclusions to remain valid.

The conclusions to which reference is made were those reached by the Stevens commission, and they were as follows:

The competitors of the store using the loss leaders are, however, the persons chiefly affected. That the deliberate use of cut prices to draw patronage away from competitors is an unfair trade practice, is quite clear. Such reductions are not prompted by any desire to serve the public by giving lower prices. One purpose is to attract customers to whom the store hopes to sell goods that are not loss leaders, at substantial profits. Another purpose is to create the illusion of lower prices on all articles. That this end is not always attained does not in any way lessen the unfairness of good practice.

Mr. Gardiner: Why did not the Bennett government act upon the report?

Mr. Diefenbaker: Let me say to my hon. friend that all the legislation which the Bennett government endeavoured to pass in order to meet this situation was challenged by the government of my hon. friend.

Mr. Martin: Not in that instance. That is not what Mr. Stevens said nor what the country subsequently said.

Mr. Sinnott: That is not the answer you got in 1935.

Mr. Diefenbaker: What happened was that after the present government came in they challenged the legislation and had the present Prime Minister as counsel in an effort to set aside the legislation. I know this is disturbing some of my hon. friends, but in 1935 their consideration was not the consumer when they submitted that legislation to the courts.

Mr. Gardiner: You are away ahead of the story. Mr. Stevens was put out of the government because of his attitude on the issues.

Mr. Diefenbaker: The generous support which my hon. friends received from big business in 1935 was paid back by the submission to the courts in 1936. I want to find out whether the government accepts the views of the 2,400 merchants in Saskatchewan who compose the retail merchants' association. That association has indicated that there is a danger to small business. I want to know whether consideration has been given to the drafting of necessary amendments in order to meet this situation.

The Minister of Justice says that if things turn out badly they will do something. It took them sixteen years to do what they are

doing now. I only hope we can have assurance on behalf of the consumers of Canada that the practice of loss leaders, detrimental to the retail merchants and particularly detrimental to the consumers, shall not be permitted to threaten the economy of this country. That is the reason the hon. member for Kamloops asked the question he did. That is the question that is in the minds of the consumers of this country. They want to know whether this legislation is going to protect the interests of the consumer rather than preserve additional rights to big business.

Mr. Garson: I should like to clear up just one point. I think the hon. member for Lake Centre will agree that one of the main purposes of the legislation introduced by the Bennett government as a result of the Stevens price spreads commission was section 498A of the Criminal Code and that that section was tested in the courts, found to be constitutional and is on the statute books today available to serve the purpose for which it was provided.

Mr. Fulton: I may be wrong, but I do not recall the Minister of Justice saying that section 498A had ever been invoked. I would remind the minister that that section was placed on the statute books in 1935. It certainly could not be said that the economic conditions of 1934 and 1935 which gave rise to the Stevens inquiry and subsequently the royal commission on price spreads, that the terrible abuses which existed with respect to loss leader practices, were cured overnight in 1935. Vain as my hon. friends may be, ready as they are to give themselves credit, I do not think they will say that the mere election of their government in 1935 cured conditions overnight.

We must assume that those conditions continued. One of the main things the new government did was to submit the fair practices legislation of the Bennett government to the courts for the purpose of having it thrown out. It must be assumed that those economic conditions continued, as in fact they did, for some four years subsequently until the outbreak of war in 1939. If section 498A was the effective answer which the minister now says it is, will he tell us how many times it was invoked during that period? Will he tell us on how many occasions it was invoked successfully to prevent the practices against which he says it was designed as a protection? Can the minister tell us how many times section 498A was invoked?

Some hon. Members: Oh, oh.

Mr. Fulton: It would speed things up if hon. members opposite would keep quiet so the minister could hear the question. I am quite certain that the only reason the minister does not answer is that he cannot hear the question. Perhaps I should raise my voice, or in the alternative my hon. friends could be quiet enough so the minister could hear what I am saying. I will do whichever they want, but I would be obliged if the minister would tell me how many times section 498A has been invoked and on how many occasions it has been successful.

Mr. Garson: I was not Minister of Justice during the period 1935 to 1939. Having been given no notice of his question, I cannot give my hon. friend the information which he asks. But I can tell him, as I told the house yesterday—perhaps he read my remarks—that section 498A was used by us within the past year. We will use it on any other occasion on which it is required.

Mr. Diefenbaker: What case was that?

Mr. Garson: It is all in *Hansard*.

Mr. Diefenbaker: What case is it?

Mr. Fulton: It may be in *Hansard*, but until now we did not have an opportunity to question the minister about it.

An hon. Member: You were not here.

Mr. Fulton: How was it used and to what effect?

Mr. Garson: It was used in a case where a complaint had been received by the department under section 498A, subsection (a), of improper discounts being given to certain dealers compared with others. The matter was investigated and was accepted by the firm in question and adjusted in that way.

Mr. Drew: Surely a criminal prosecution was not adjusted.

Mr. Garson: The suggestion was that the trade discounts of this firm with respect to certain items were contrary to section 498A. It was not in any heinous degree at all, but complaints had been made by people in that trade. When the matter was brought to the attention of the people concerned they were very glad to adjust the list from that point on, and no further difficulties have been experienced.

Mr. Diefenbaker: There was no prosecution.

Mr. Garson: No. There was no occasion for prosecution.

Mrs. Fairclough: I take it from what the minister says it was a matter of discrimination in the allowance of discounts.

Mr. Garson: No; this was a case of the actual printed discounts which they had.

Mrs. Fairclough: But they had practised discrimination; they were not allowing the same discount to all people under similar circumstances?

Mr. Garson: That is right.

Mrs. Fairclough: The act definitely says that is contrary to the law, so why were they not prosecuted?

Mr. Garson: Because—

Mrs. Fairclough: They were given a second chance, in other words.

Mr. Rowe: Just a congenial settlement.

Mr. Drew: Surely the government was not using the Criminal Code for the purpose of compounding a felony.

Mr. Garson: Oh, no.

Mr. Drew: This is interesting—

An hon. Member: And boring, too.

Mr. Drew: —in view of the fact that we are now asked to pass something in the nature of a criminal law. I think the house should have a full explanation. If the minister has been accurate in what he has been stating, then he was using a section of the Criminal Code to enforce some compromise which, as the minister knows, is entirely contrary to the whole principle and purpose of the Criminal Code.

Mr. Garson: No, there was no compromise at all. It was brought to our attention that certain discounts were being granted which it was thought would contravene section 498A. The matter was brought to the attenion of the firm concerned. They accepted the view that was urged by the complaining company, and there has been no further difficulty in the matter at all.

Mr. Rowe: They must have been an awfully nice firm.

Mr. Abbott: Just like the paper companies.

Mr. Drew: In so far as what the minister has said is concerned—

Mr. Abbott: It was not Great Lakes Paper, was it?

Mr. Drew: —then we may take it that the government learned the Criminal Code was being broken and the government then wrote and said: You are breaking the Criminal Code; unless you correct your action and stop breaking the Criminal Code we are going to act. Is that not what the government did? Perhaps they did not go so far as to threaten.

Mr. Garson: Just the opposite. My hon. friend is very anxious to put it in that form but, as I have told him, a complaint was received from one commercial concern to the effect that in their view the discounts allowed by another commercial concern contravened section 498A, subsection (a), of the Criminal Code. The matter was taken up by invocation of this section with the firm against which the complaint was laid. They explained what the position was, showed their records and satisfied the officials of the combines branch that the practice they were following was in order. That was communicated to the firm that had made the complaint and the matter was closed. I may say that it was brought to my attention some considerable time after the whole thing had been adjusted. I point this out, however, to indicate that section 498A, subsection (a), is an effective instrument for the purpose which it was designed to serve, as I think the leader of the opposition was maintaining a day or so ago in this very debate, and that it can be invoked again as occasion may require. In any case where any breach of it takes place with criminal intent my hon. friend need not have any concern about appropriate action being taken under it.

Mr. Diefenbaker: This is very revealing because the section reads:

> Every person engaged in trade or commerce or industry is guilty of an indictable offence and liable to a penalty not exceeding one thousand dollars or to one month's imprisonment, or, if a corporation, to a penalty not exceeding five thousand dollars, who
>
> (a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors . . .

Did the evidence disclose that this company had in fact granted rebates and discounts not granted to other competitors?

Mr. Garson: I only have the report I got from the combines commissioner, and I have related to the house everything that took place. It was thought by certain companies in the trade that discounts of this type, which in their view would contravene this section, were being allowed. The matter was investigated by officers of the department, and the concern against which the complaint had been made was able to show its good faith in the matter and that the list of discounts they were then using was in accordance with the provisions of the act. If my hon. friend wants any further information I would have to get it from those who handled the matter. However, it does prove one thing, namely that here is an effective instrument by which discounts

of that nature can be prevented. I think it is also reasonable to say that the other two subsections of section 498A are equally useful if occasion arises to invoke them.

Mr. Diefenbaker: That scarcely is the type of enforcement of the law one would expect. If an offence was committed the Criminal Code should not be used as a threat. Every person who breaks it should be proceeded against regardless of who that person is. Now that we have gone this far and found that the degree to which section 498A is an effective instrument consists of one case in which the wrongdoer was not proceeded against, I think possibly we should find out the name of this alleged person who, having committed an offence, was still not proceeded against under this effective section.

Mr. Garson: My hon. friend is most unfair. There is no suggestion there was an offence committed. There was a complaint registered with the government to the effect that the discounts being granted by this concern complained against were out of line under section 498A of the Criminal Code. Upon the matter being looked into, the concern complained against, which is a very responsible and respectable concern, was able to show that that was not the case. Therefore the matter was not proceeded with, but it was very clear that if an offence had taken place it would have been quite possible to prosecute under the section.

Mr. Fulton: I must say I am unable to follow the minister in his distinction between what is an unsatisfactory practice in the light of section 498A and what is an offence against the Criminal Code under 498A; but even if at the moment we are unable to get from the minister the name or firm of the individual concerned, I think the minister will agree with me that what he has said indicates that although 498A was placed on the statute books in 1935 when the depression was continuing and the conditions which were brought to light as a result of the Stevens inquiry were still prevalent, nevertheless section 498A has not been invoked, and no prosecution under it has ever succeeded, against the loss-leader practice. I think the minister must admit that emerges from what he has said. Does the minister not agree with me that that is an accurate statement?

Mr. Abbott: Carried.

Mr. Fulton: His colleague the Minister of Finance is asking him to agree by saying "carried". Since that is what the Minister of Finance is saying—

Mr. Abbott: The Minister of Finance is just bored.

Mr. Fulton: The Minister of Finance is always professionally bored when he is not holding the floor himself. I am sorry if the answers of the Minister of Justice bore the Minister of Finance.

Mr. Abbott: It is not the answers that bore me, it is just the questions.

Mr. Fulton: I should like to have an answer from the Minister of Justice to a reasonable attempt at summarizing the situation.

Mr. Garson: I have already told my hon. friend.

Mr. McCusker: You have to tell him four or five times.

Mr. Fulton: If the hon. member for Regina would like to have the floor, perhaps—

The Chairman: Order. The minister has the floor.

Mr. Fulton: Mr. Chairman, I was going to say that the member for Regina—

The Chairman: Order. The minister has the floor.

Mr. Abbott: Thank God I did not go to Oxford.

Mr. Fulton: I am grateful, too. It is bad enough to have you here without having had to put up with you there, as well.

Some hon. Members: Carried.

Mr. Fulton: I am sorry I was not able, because of the interruption by the Minister of Finance, to hear the Minister of Justice.

Mr. Garson: I thought I had made it clear to my hon. friend that I have no knowledge of any prosecutions that took place between 1935 and 1939, or even after 1939 until 1948, when I came on the scene. Since that time the only occasion on which we have had any reference to section 498A is the occasion of which I spoke.

Mr. Fulton: The only case.

Mrs. Fairclough: Mr. Chairman, I should like to inquire further into this incident because I am very much interested in it. In the first instance I believe the minister said the complaint had been lodged by a competitor of the company, or so it seemed to me. Is that correct, or was the complaint lodged by a customer of the offending company? He later said the customer was the one who was discriminated against. No prosecution was launched because when the investigation was conducted it was found the practice had been corrected. Was the practice corrected or was it found that the practice had, in fact, been a policy of the company but upon there being some smoke, let us say, the fire was put out, in which event

the offending company certainly was guilty under the section; or was there never at any time any evidence of the practice?

Mr. Garson: Mr. Chairman, I am under somewhat of a handicap in discussing this item because I have no personal knowledge of it. I have had certain conversations with the officers of the department, and the impression I have is that it was a complaint by a customer of the offending company.

Mrs. Fairclough: Not a competitor?

Mr. Garson: No, I do not think I said that. It was a customer of the offending company who was complaining, as I gather it, that another customer had been given a discount which was not available to the complaining customer. Upon the officers of the department investigating the matter, the company complained against was able to show that no offence had actually taken place and that the matter was in order. The company was able to satisfy the officers who were sent down there. If any greater detail is necessary, I would have to get it for the hon. member.

Mr. McLure: Mr. Chairman—

Some hon. Members: Hear, hear.

Mr. McLure: I want to thank hon. members for that wonderful salutation. I might say now that I believe I know the cause of it. I left here on December 20 to go home for a holiday, and I came back not to ask questions but to take part in that great event which I expected, closure. I want to ask the minister who is piloting this bill whether there is any difference between an assembler, a manufacturer or a primary producer.

Mr. Brown (Essex West): Ask a lawyer.

Mr. McLure: I am lawyer enough for that myself.

Mr. Sinnott: Why did you ask the question?

Mr. Hodgson: He is like you, he does not know.

Mr. Sinnott: That is a good answer.

Mr. McLure: I was just going to say that one gets used to these interruptions from the ivory dome. I want to know whether a primary producer and assembler is put in the same category as a manufacturer.

Mr. Garson: A primary producer; is that what my hon. friend said?

Mr. McLure: A primary producer or assembler; are they in the same category as the manufacturer, or are they called dealers?

Mr. Garson: If the hon. member will look at subsection 1 of the new proposed section 37A he will see that it reads as follows:

> In this section "dealer" means a person engaged in the business of manufacturing or supplying or selling any article or commodity.

[Mrs. Fairclough.]

Mr. McLure: We have today a dozen or two dozen farmers in my constituency who have formed a little company. It may not be a limited liability company, but they formed it to market their product. How are you going to deal with them? They set the retail price of their product. How will this bill interfere with them, or will it? Or does it interfere with any co-operatives in any form that are conducting business today without this act?

Mr. Garson: I cannot imagine any set of circumstances under which a group of farmers or an individual farmer has ever attempted to impose resale price maintenance upon his products. I should be glad if my hon. friend could give us a concrete example of that sort of thing.

Mr. McLure: Any farmers' marketing board would be a concrete example.

Mr. Garson: I thought perhaps that was what my hon. friend was referring to. The hon. member for Annapolis-Kings asked that question earlier today.

Mr. McLure: I know he did.

Mr. Garson: My answer was that if the marketing board was set up under provincial legislation, it would not be affected by this proposed legislation.

Mr. Diefenbaker: That opinion is extremely interesting. What is the foundation for it? Is it just an offhand opinion by the minister, or is that an opinion from the law officers? There is certainly nothing whatsoever in any portion of the Combines Investigation Act that exempts any provincial marketing board. The minister, in an offhand way, has said they are not covered by this legislation because that is a matter of provincial legislation. As to the marketing boards in the provinces, they will come within the definition of dealer. No exception whatever is made in the act, and there is nothing whatever that will deny the application of this bill in its present form, as I see it, unless something is done to exempt provincial marketing boards. As a matter of fact an exemption is made under section 498A of the Criminal Code to cover certain co-operatives because of this very difficulty. Section 498A, subsection (a) indicates as follows:

> The provisions of this paragraph shall not, however, prevent a co-operative society returning to producers or consumers, or a co-operative wholesale society returning to its constituent retail members, the whole or any part of the net surplus made in its trading operations in proportion to purchases made from or sales to the society . . .

Those co-operative organizations can be set up under provincial law just as marketing boards are today set up under provincial

law. I believe my hon. friend has raised a point that is worthy of serious consideration, namely the degree to which this amendment in its present haphazard form may result in provincial marketing boards finding themselves in jeopardy. I think the minister should welcome the suggestion of an amendment in that connection, to make that point positively clear. Certainly the fact that the provincial authorities set up a municipal board does not place that municipal board above any federal law. I think the hon. member for Queens has raised a point and has directed the attention of the minister to a question that deserves more serious consideration than will have been given by an offhand opinion, unless that offhand opinion is based on the law officers of the crown having definitely indicated that, in their opinion, the section as amended will not apply to any marketing board.

Mr. Pouliot: Before the minister answers, I should like to ask my hon. and genial friend, the hon. member for Lake Centre, if he will agree that the function of the Minister of Justice is equivalent, *mutatis mutandis*, to that of the Lord Chancellor in England.

Mr. Hodgson: What has England to do with this matter? We run our own parliament.

Mr. Pouliot: My hon. friend does not understand who the Lord Chancellor of England is. I am just arguing a most important point with the hon. member for Lake Centre. He will agree that the Minister of Justice occupies a similar position and performs a function similar to that performed by the Lord Chancellor in England.

Mr. Diefenbaker: I agree that he exercises some of the jurisdiction; but the Lord Chancellor is the head of the judicial system in Great Britain, and I am certainly glad that the Minister of Justice in this country is not in that position.

Mr. Pouliot: I am satisfied that my hon. friend agrees with me partly, if not in toto; and I will tell him this. One day I spoke to Lord Hailsham who was then Lord Chancellor of England. I said to him: My lord, are you the guardian of the king? He said: No, I am the—

Mr. Diefenbaker: The keeper of the king's conscience.

Mr. Pouliot: The answer was: No, I am the guardian of his conscience.

Mr. Drew: Mr. Chairman, may I ask if this is in the form of a suggestion that the minister needs a guardian for his conscience?

Mr. Pouliot: No, not at all. My hon. friend was too quick.

Mr. Drew: I was trying to find the relevance of these remarks.

Mr. Pouliot: I was wondering if the Minister of Justice was not the guardian of the conscience of the leader of the opposition.

An hon. Member: What a job!

Mr. Sinnott: He has no conscience.

Mr. Fulton: That is a new form of spiritualism.

Mr. Pouliot: There is another point that I want to stress to the hon. member for Lake Centre, and it is this. I was shocked when I heard him suggest that the Minister of Justice should ask the opinion of his law officers. Why did he say that? The Minister of Justice is not only the guardian of the conscience of the leader of the opposition; he is the guardian of the law. When he speaks, even in a ponderous way—

Mr. Browne (St. John's West): Why does the hon. member say that?

Mr. Pouliot: I will say this to the former judge: Even when the minister speaks not in a ponderous way, like the hon. member for St. John's West, he says: This is the law. He has no need to ask anything of his law officers. He is supposed to know the law as well as any law clerk in his department.

Mr. Drew: That is exactly what some of us had hoped. That is the reason we have been directing questions, in the expectation that finally we might get some evidence that he knows something about this bill.

Mr. Pouliot: He answers well all sensible questions.

Mr. Drew: The Minister of Justice has given strong reasons why the argument that has been presented for some days, that this bill should not be dealt with in haste, should have been recognized by the government. He has indicated that there is a rather strange attitude toward the measures already on the statute books, including the only measure that can possibly deal with a threat of loss leaders which is relevant to the bill now before us. But I want to refer back to something the minister said this afternoon, because it requires some explanation. The hon. member for Lake Centre pointed out that in this case, uncertain though the terms may be, the bill now before us creates an absolute offence without any qualifications as to the motive or intent of the person who carried out the act that might be regarded as an offence against this measure. He suggested there should be some words as "without justification", or something of that kind, to indicate that the offence would only exist if in fact there was the spirit of *mens rea* in what had been done.

The Minister of Justice said it was not possible or practical to introduce any such qualification, although the hon. member for Lake Centre had made it quite clear that he was not suggesting the exact words which should be used but rather that there should be some qualification which related to the wrong intent.

The explanation which has been given by the minister simply does not hold water, because there is the qualification that combinations, mergers, trusts or monopolies mentioned in section 2 of the Combines Investigation Act must be shown to have operated or to be likely to operate to the detriment or against the interest of the public, whether consumers, producers or others. The answer given by the minister is simply inconsistent with the operation of the act itself to which this is a proposed amendment. Then in the section of the Criminal Code mentioned before, section 498A, which deals with conspiracies in restraint of trade we find the words "unduly prevent or lessen competition". If in relation to transactions of this kind in other legislation the word "unduly" can be defined; if conduct that is likely to be detrimental to the public interest can be defined, then surely similar exceptions could be made in this legislation. Then it would be possible to deal with this with the likelihood that those who are carrying out some arrangement which in no way injures the public will not suffer because of the overriding prohibition contained in this legislation.

I suggest that the minister, even at this stage in the discussion, should reconsider his statement in that connection. It does not do his position justice that he should give an explanation which, if it is sound, means that we should have before us now amendments to the Combines Investigation Act removing those qualifications in regard to other combines, other joint enterprises, which certainly would be just as injurious in their effect.

The minister this afternoon gave one extremely interesting explanation of the nature of the grounds that might be employed by a dealer to deny to a retailer the things that he sought to buy and sell. One of the grounds was if the dealer maintained a slovenly establishment. This is the explanation given by the minister piloting the bill. Does that mean a dealer is going to become the censor of the cleanliness or tidiness of the retailing establishment?

Mr. Gardiner: They do.

Mr. Drew: Because that is the only thing his words implied. If that is going to be the condition, then surely no dealer will ever have any trouble in refusing to deliver the supplies the retailer has asked him to deliver. The minister made an interjection that left the impression that he was suggesting he had not said this, but he used the words "if he maintained a slovenly establishment."

Mr. Gardiner: They do that now.

Mr. Drew: That could only mean an untidy establishment, an establishment not having the appearance or the tidiness approved by the dealer.

Mr. Rowe: The minister had better get a new broom.

Mr. Drew: If that is the kind of ground on which the protection that is supposed to be afforded to the dealer under this legislation can be avoided, then this legislation is certainly a fraud on the retailer as well as on the public.

Mr. Garson: Mr. Chairman, if I have left the impression which the leader of the opposition has just stated I would feel with him that the bill was an improper one. But I think he has misunderstood my remarks. At the present time the manufacturer may discontinue the arrangement he has with his dealers for a number of reasons. Amongst others, if he is manufacturing goods which have to be exposed for sale to advantage in a neat establishment, he may not want to continue selling to the retailer when he maintains a slovenly one. He may want to discontinue his arrangement with the retailer if the man becomes a poor credit risk and will not meet the manufacturer's bills, or he may have a variety of reasons. The present bill does not touch any of the existing reasons the manufacturer may have for discontinuing his arrangements with the retailer. The point I was making in the context of the remark my hon. friend has just quoted was that the only basis on which the manufacturer could be held to account under the proposed amendment is if he discontinues supplying the retailer with renewal goods because of the fact that the retailer has failed to maintain a price which the manufacturer has set. It is the same point that was raised just a few moments ago by the hon. member for York West; that is, if the manufacturer has some genuine reason outside the terms of the bill for wanting to discontinue his relationship with the retailer he is just as free to do so after the bill has been passed as he was before.

Mr. Drew: Some point does come where it is perfectly obvious that any further attempt to tie the minister down to an explanation of this measure which will be in any way understandable simply has to be abandoned. I am satisfied the record will demonstrate that hon. members are

being called upon to adopt a measure which the minister has very clearly shown he does not understand himself, which he has shown beyond all doubt is most uncertain in its application, and which in fact he even tries to leave the impression may have very little effect at all. On the other hand, of course it will always be there as a warning to those he might find occasion to deal with.

To hear the minister at one point one would think this is a stern measure. To hear him at another point one would think this has no teeth in it at all. Recognizing the fact that every answer the minister has given has further confused the issue and demonstrated why this measure should not go through, I can only close by quoting these words from "Alice in Wonderland":

"When I use a word," Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean—neither more nor less."

You can almost hear the minister listening to questions across the floor, because in this case Humpty Dumpty was being questioned. I continue with the quotation:

"The question is," said Alice, "whether you can make words mean so many different things."

"The question is," said Humpty Dumpty, "which is to be master,—that's all."

And that is all that is in issue here. We heard before the statement: "If we want to get away with it, who is going to stop us?" At every stage the only real argument we have had is: If we want to get away with it, who is going to stop us? We recognize that we must bow to the weight of this majority.

Mr. Cannon: I would like to say a word for the record, because the leader of the opposition has referred to the record. I want to say the record will show that the Minister of Justice has answered with unfailing courtesy and patience all the questions, despite interruptions. If there is one thing for which we could reproach the minister it would be for having had too much courtesy for hon. members opposite. And when you talk about the minister not having given explanations, I say the minister has given every explanation asked for. I will say this to the opposition, that they have just pretended not to understand, in order to prolong this debate unnecessarily.

Mr. Wright: The minister replied to a question of the hon. member for Queens with respect to provincial marketing boards being exempted, so far as this particular legislation is concerned. Could he give us the section of the bill on which he bases that statement? I would like to have something definite about it, something more than the statement the minister made before.

Mr. Garson: I think everyone knows, and I am sure my hon. friend will realize, if he reflects upon it, that the provincial marketing boards never undertake to maintain any resale prices upon the products they sell.

Mr. Rowe: Yes, they do. What do they organize for, then?

Mr. Gardiner: They sell.

Mr. Wright: If a provincial marketing board in future were to attempt to maintain prices for their products, could they be prosecuted?

Mr. Garson: That would not follow, at all.

Mr. Rowe: Why would it not follow?

Mr. Diefenbaker: Would the minister say whether he got an opinion from the law officers of the crown on that question? Did he receive such an opinion?

Mr. Garson: I have already expressed my opinion upon my responsibility as a minister.

Mr. Diefenbaker: Did you get an opinion from the law officers?

Mr. Garson: I expressed it—

Mr. Diefenbaker: Did the minister say he had an opinion from the law officers of the crown?

Mr. Martin: He said he had done it on his own authority, which is the highest in the department.

Mr. Diefenbaker: That is what I feared. Because I would be very much surprised if they gave my hon. friend any opinion along that line. There is no virtue created as a result of setting up a provincial corporation which places itself above a dominion law. I should have thought the minister would have received more authentic information on the law in this regard than to depend upon himself in a matter of such importance to the farmers of this country.

Mr. Wright: The Minister of National Health and Welfare has indicated that the Minister of Justice speaks with supreme authority, and that the Supreme Court of Canada must abide by what he says on the floor of the house. I do not think that is a fact. I would like to know what particular section of the act would apply if a provincial marketing board were prosecuted for maintaining prices. Would they find it within their jurisdiction to say that they were not guilty of an offence under this measure?

Mr. Adamson: Would not the flue-cured tobacco association, which maintains a marketing association, be subject to this bill? I

understand they have a very close marketing association, and sell at an agreed price to the tobacco companies.

Mr. Rowe: Interprovincially, too.

Mr. Adamson: Would that not apply to their process of selling?

Mr. Garson: No.

Mr. Casselman: Does the minister say no?

Mr. Rowe: Would the minister tell us why? If, as the Minister of National Health and Welfare says, you are the supreme judge of the law, then surely you can tell us why?

Some hon. Members: Carried.

Mr. Rowe: Surely the Minister of Justice can tell us, when he is the supreme authority. These co-operative associations sell interprovincially. Their operations are not confined within a province. If, as the Minister of Health and Welfare has said, you are the supreme authority in all these things, then we, the common people, would like to know about it.

Mr. Fair: Many of us have done a lot of work in setting up marketing organizations all over Canada. We should find out just what the authority of this legislation is.

Mr. Rowe: We want to know.

Mr. Fair: We do not want any of the marketing organizations to be destroyed by this or any other amendment. While I have supported this amendment, still I want to make sure it will not be detrimental to the interest of those organizations. I would ask the minister to give us the information asked for by the hon. member for Melfort.

Mr. Gardiner: Mr. Chairman, I do not think there are any farmers' co-operative organizations that set up resale prices. Farmers' co-operative organizations do sell their products to distributors, who sell the products at whatever prices they themselves decide. The co-operatives do not set a resale price. They may set a price at which they are going to sell to someone else, but they do not establish resale prices. Those boards which are set up in provinces are set up under provincial legislation. The boards which are required to carry on interprovincial activities are set up here, under federal law. I do not think that there is any way in which co-operative organizations, as at present set up, can be affected by this particular legislation. You have already had that opinion from the minister. I do not think there is any reason whatsoever for delaying the legislation further.

As a matter of fact I have had representations from many if not all of the farm co-operative organizations right across Canada asking us to get this legislation through, as rapidly as we can, and not do anything to delay it.

Mr. Rowe: That is more of an agricultural interpretation than a legal one.

Mr. Gardiner: Sometimes they are better than the legal opinions.

Mr. Wright: I am fully aware of the rules of certain farm organizations with respect to the resale of their products. If I am correctly informed, for instance, the seed corn producers in Ontario have an organization for the marketing of seed corn. They set the price at which the seed is to be sold by the dealers who sell the corn for them. If that is a fact, would they be contravening this particular amendment?

Mr. Gardiner: If they do that, they do it because the constitution provides that in such cases the province has the authority. There is no way in which they can be prosecuted for doing it.

Mr. Wright: This act overrides any provincial act, surely?

Mr. Gardiner: No; where the constitution gives authority to the province, it does not override it.

Mr. Wright: Does the Minister of Justice agree with that? Does the Minister of Justice agree with what the Minister of Agriculture has just said?

Mr. Drew: No.

Mr. Rowe: We have asked the Minister of Justice for a legal interpretation, but we have received only an agricultural interpretation from the Minister of Agriculture. As the hon. member has said, we have in Canada the seed corn producers from whom every spring I buy corn for my farm. Then we have the flue-cured tobacco people. It is more important for co-operatives than it is for any individual, because there are great numbers of these co-operatives. I think the co-operatives of this country have been of keen political concern to the government in connection with taxation and other issues. It is most important that we should know at this stage how this legislation will apply. There is no escaping the fact that they fix their retail prices and that they sell interprovincially and internationally flue-cured tobacco and high grade seed corn. If this is going to be applicable to the individual it will surely be applicable to the co-operatives. What about the pools? The same thing will apply there.

Mr. Gardiner: No.

Mr. Rowe: The minister may have some different idea because he has had a lot to do with them.

Mr. Casselman: Just withdraw the bill.

Mr. Garson: When this bill was first considered it was upon the basis that it would not be applicable to any of these marketing boards, and that in its administration it would not interfere with their operations. I think it will be found in the case of tobacco or seed corn or wheat or any of these products that they go into commercial channels and then lose their identities.

Mr. Rowe: Why do they lose their identities? What is in the bill to make them lose their identities?

Mr. Garson: Take a concrete case where resale price maintenance applies. If a manufacturer sells a hat to a retailer and attaches a resale price, that hat must be sold to the consumer at a certain price. However, tobacco would go to a manufacturer of tobacco products and would lose its identity when it was manufactured into cigarettes. I am quite certain that the people who sell tobacco do not dictate to the manufacturer the price at which he shall sell cigarettes.

Mr. Rowe: In other words, if you sell a suit with the hat, the hat would lose its identity.

Mr. Garson: I am just speaking about the products my hon. friend referred to. There is no way of preserving the identity of goods such as are sold by most of these boards.

The Chairman: Shall the section carry?

Some hon. Members: No.

Mr. Fournier (Hull): If I may make a suggestion, I wonder if we could get this bill through tonight. It looks as though everyone is in good humour and perhaps we could continue a little after ten o'clock.

Some hon. Members: Agreed.

Mr. Drew: I have indicated already that in view of the fact that closure was applied earlier in the day and that we have now discussed this matter in committee for the length of time we have, we certainly do not intend to attempt further to unravel the double-talk we have heard. For that reason we are quite agreeable that this measure should proceed because we recognize that with the government having the majority it has and determined to deal with this matter as it has indicated, we have exhausted every possibility of obtaining a reconsideration of this measure by the government, except one which we shall deal with in a moment.

The Chairman: Shall section 1 carry?

Some hon. Members: On division.

Section agreed to on division.

On section 2—*Evidence.*

The Chairman: Shall the section carry?

Some hon. Members: On division.

Section agreed to on division.

The Chairman: Shall I report the bill?

Some hon. Members: On division.

Bill reported on division.

Mr. Garson moved the third reading of the bill.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, as I indicated before, it is obvious that there is no advantage in further debate on this measure and I propose to move that this bill be not now read a third time. I do with the utmost earnestness urge members of this house, and particularly members on the other side, to recognize that during the whole of this committee discussion the evidence has mounted that the government has not yet adequately considered this measure.

The explanations given by the Minister of Justice (Mr. Garson) are most conflicting misinterpretations of the real effect of this bill. I hope hon. members will look over the record and see the number of occasions the minister has directly contradicted himself as to the effect and application of this measure. I do not intend to pursue this. I only repeat that at one time the minister has sought to convey the impression that the bill would harm no one, and at another time that it was a stern measure designed to deal with people who were injuring the Canadian consumer.

It has been double-talk from the time we went into committee, as it was double-talk prior to that time. There has been no explanation given by the minister as to why this measure would not apply to agricultural organizations which are marketing products on a large scale. There has been no attempt by the minister to explain why marketing organizations right across the country engaged in every stage of marketing and establishing prices which they believe will be to the advantage of the producer will not come under the blanket prohibitions of this bill. There has been no evidence whatever why simple safeguards for the person who is harming no one should not be included. No reason has been given why there should not be an exception in the bill to provide that its provisions will apply only where what is done is contrary to the public interest or has unduly raised prices, as is included in the Combines Investigation Act and in the section of the Criminal Code which deals with a similar subject.

With all these facts before us; with all the evidence that has accumulated that the Minister of Justice (Mr. Garson), who presents this bill, is not able to indicate to us that it contains safeguards or in fact will be effective for the purpose for which it has been said it was designed, I am moving an amendment as no mere delaying device but as a means of placing before the house the suggestion that the dignity of parliament be preserved by refusing to pass this measure into the law of the land now with so little evidence before us as to what its real effect will be. Therefore I move, seconded by the hon. member for Kamloops (Mr. Fulton):

That Bill No. 36 be not now read a third time, but that it be read a third time this day six months hence.

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

YEAS

Messrs:

Adamson	Fleming
Aylesworth	Fraser
Black (Cumberland)	Fulton
Blair	Gibson
Brooks	Graydon
Cardiff	Hees
Casselman	Hodgson
Catherwood	Lennard
Churchill	Macdonnell (Greenwood)
Courtemanche	McLure
Diefenbaker	Nowlan
Dinsdale	Ross (Souris)
Drew	Rowe—27.
Fairclough, Mrs.	

NAYS

Messrs:

Abbott	Ferrie
Anderson	Fontaine
Arsenault	Fournier (Hull)
Bater	Fulford
Benidickson	Gardiner
Beyerstein	Garson
Black (Chateauguay-Huntingdon-Laprairie)	Gauthier (Lake St. John)
	Gauthier (Lapointe)
Blanchette	Gauthier (Portneuf)
Blue	Gingras
Boisvert	Gingues
Boucher	Gour (Russell)
Bradette	Gregg
Breithaupt	Harris (Grey-Bruce)
Breton	Hellyer
Brisson	Helme
Brown (Essex West)	Henry
Bruneau	Herridge
Bryce	Hosking
Cameron	Huffman
Cannon	James
Cauchon	Jones
Cleaver	Jutras
Corry	Kickham
Cote (St. Jean-Iberville-Napierville)	Kirk (Digby-Yarmouth)
	Knight
Cote (Verdun-La Salle)	LaCroix
Darroch	Lafontaine
Dion	Laing
Dube	Langlois (Gaspe)
Dumas	Leduc
Eyre	Lefrançois
Fair	Little
Low	Richard (Ottawa East)
Macdonald (Edmonton East)	Rinfret
	Robertson
MacNaught	Rochefort
Macnaughton	Rooney
McCann	Rousseau
McCusker	St. Laurent
McDonald (Parry Sound-Muskoka)	Sinclair
	Sinnott
McIlraith	Smith (Queens-Shelburne)
McIvor	
McLean (Huron-Perth)	Stewart (Winnipeg North)
Major	Stuart (Charlotte)
Martin	Tremblay
Masse	Valois
Monette	Ward
Murray (Cariboo)	Weaver
Mutch	Weir
Nadon	Welbourn
Nixon	Whiteside
Pearson	Whitman
Picard	Winkler
Proudfoot	Winters
Prudham	Wood
Richard (Gloucester)	Wright—111.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted, I would have voted against the amendment.

Mr. Henderson: I was paired with the hon. member for Prince Edward-Lennox (Mr. Tustin). Had I voted, I would have voted against the amendment.

Mr. Pouliot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted against the motion.

Mr. Speaker: Is it the pleasure of the house to adopt third reading of this bill?

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion for third reading of the bill will say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen.

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Abbott	Boucher
Anderson	Bradette
Arsenault	Breithaupt
Bater	Breton
Benidickson	Brisson
Beyerstein	Brown (Essex West)
Black (Chateauguay-Huntingdon-Laprairie)	Bruneau
	Bryce
Blanchette	Cameron
Blue	Cannon
Boisvert	Cauchon

Cleaver	MacNaught
Corry	Macnaughton
Cote (St. Jean-Iberville-Napierville)	McCann
Cote (Verdun-La Salle)	McCusker
Darroch	McDonald (Parry Sound-Muskoka)
Dion	McIlraith
Dube	McIvor
Dumas	McLean (Huron-Perth)
Eyre	Major
Fair	Martin
Ferrie	Masse
Fontaine	Monette
Fournier (Hull)	Murray (Cariboo)
Fulford	Mutch
Gardiner	Nadon
Garson	Nixon
Gauthier (Lake St. John)	Pearson
Gauthier (Lapointe)	Picard
Gauthier (Portneuf)	Proudfoot
Gingras	Prudham
Gingues	Richard (Gloucester)
Gour (Russell)	Richard (Ottawa East)
Gregg	Rinfret
Harris (Grey-Bruce)	Robertson
Hellyer	Rochefort
Helme	Rooney
Henry	Rousseau
Herridge	St. Laurent
Hosking	Sinclair
Huffman	Sinnott
James	Smith (Queens-Shelburne)
Jones	Stewart (Winnipeg North)
Jutras	Stuart (Charlotte)
Kickham	Tremblay
Kirk (Digby-Yarmouth)	Valois
Knight	Ward
LaCroix	Weaver
Lafontaine	Weir
Laing	Welbourn
Langlois (Gaspe)	Whiteside
Leduc	Whitman
Lefrançois	Winkler
Little	Winters
Low	Wood
Macdonald (Edmonton East)	Wright—111.

NAYS

Messrs:

Adamson	Fleming
Aylesworth	Fraser
Black (Cumberland)	Fulton
Blair	Gibson
Brooks	Graydon
Cardiff	Hees
Casselman	Hodgson
Catherwood	Lennard
Churchill	Macdonnell (Greenwood)
Courtemanche	McLure
Diefenbaker	Nowlan
Dinsdale	Ross (Souris)
Drew	Rowe—27.
Fairclough, Mrs.	

Mr. Speaker: Is it agreed that the bill do pass and that the title be as on the order paper?

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Sinnott: Speaking for the record, may I say that there were only twenty-six Tories present.

Mr. Casselman: That is a bigger percentage than you have.

Bill read the third time on division and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Now that we have disposed of this bill which seemed to be a little bit contentious, we could take up something where there would be less contention. That would be the resolution in the name of the Secretary of State for External Affairs (Mr. Pearson), under government notices of motions. The second item we would wish to proceed with would be the resolution of the Minister of Agriculture (Mr. Gardiner); and if the house agreed we would proceed with the various stages of the bill. I understand that my colleague, the Minister of Agriculture, has consulted the members of the various parties and that this measure is not contentious. Then we would take Bill No. 26, to amend the Public Works Act. That measure was contentious some time ago. It was discussed one afternoon. I think I would be wise in moving an amendment to that bill.

Mr. Fleming: I think you would.

Mr. Fournier (Hull): I think we will all agree in no time on that bill.

Mr. Graydon: Page the Minister of Justice (Mr. Garson).

Mr. Fournier (Hull): Then we should like to proceed with Bill No. 15, to provide for privileges and immunities in respect of the North Atlantic Treaty Organization. The other measures I do not think—

Mr. Casselman: Oh, withdraw them.

Mr. Fournier (Hull): We probably would not withdraw them but would wait until the next session. That was suggested. Perhaps it would be possible to complete our work sometime tomorrow and perhaps prorogue during the evening, but we would have to have some procedures completed before that hour. If people are in as good humour as they are right now, I think we could succeed in doing that.

Mr. Casselman: Monday, anyway.

Mr. Drew: Just before you rise, Mr. Speaker, I would point out that there are a number of questions on the order paper, and it is possible that an inquiry in the morning might produce the information that these questions can be answered. I would suggest that in any cases where the answers are now ready, they be made available tomorrow.

Mr. Fournier (Hull): That is agreeable, Mr. Speaker.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Saturday, December 29, 1951

The house met at eleven o'clock.

POSTAL SERVICE

PRIVILEGE, MR. DREW—DELAY IN MAIL DELIVERY

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege affecting both the privileges and the responsibilities of the members of this house. It is something which I think should be raised today, in view of the fact that we have reason I think to expect that we are within some measurable distance of the termination of this session.

This morning I received a postal package addressed to me at the House of Commons, and very clearly addressed and very properly packaged, which was postmarked "Vancouver, December 17." I recognize, and perhaps it will be understood by hon. members that I have as much reason as anyone in this house to recognize, the immensely heavy responsibilities of the postal department at this time of the year. I cannot however recall any Christmas or any time when there have been so many complaints from every part of the country in regard to the delay in the delivery of mail. This is something that affects the business of this house, that affects the business of this country. It has wide ramifications. I will simply give one personal experience which illustrates what happens in cases of this kind. I wrote a letter to a friend who was critically ill in a Toronto hospital. He died five days later. The letter had not been delivered and it was therefore returned to me. That merely serves to underline the possibilities that arise, from both the personal and the business point of view, where delays of that kind occur.

I can understand delays of one, two and three days perhaps, just because of the immense accumulation of mail; but surely between here and Toronto and here and Montreal it is not consistent with the place that the postal services have come to occupy in our whole economic and social structure that within these short distances there should be delays of a whole week and more in the delivery of letters. And most certainly no congestion can explain the delay of twelve days in the delivery of first-class mail or packaged mail from Vancouver to here.

I recognize—and as I say, I have reason to recognize perhaps as much as anyone here, next to the Prime Minister (Mr. St. Laurent) and the members of the cabinet—what the real accumulation of mail is at this time of year, but I do think that with all this heavy pressure the Postmaster General (Mr. Rinfret) should assure us that, in the light of the experience of this year, adequate steps will be taken to ensure that next year, or on any intervening occasion when there is heavy pressure on the mail services, adequate provisions will be made for delivery within a reasonable time in relation to the circumstances.

I point out that not only may personal messages and very important personal communications be delayed, with very unhappy consequences in certain cases, but also that the business of this house is related to the delivery of the mail and that important business organizations all over this country depend upon some reasonable promptness of delivery. I am sure that none of this delay is the responsibility of the men themselves who deliver the mail. There is no more loyal and hard-working organization in this country. I am satisfied, however, that something has happened to affect the whole organization, because delays of this kind have become too frequent, not only in these recent weeks but for months past. This calls for some reassurance to the house.

Mr. Bradette: This is good!

Hon. Edouard Rinfret (Postmaster General): Mr. Speaker, the leader of the opposition did not give me notice of his intention of raising this question. He did not bring to my attention the reference he has made to the mail he received.

Mr. Drew: I only received it half an hour ago.

Mr. Rinfret: But I wish to point out to the house that in all our advertising we gave notice to the public that we could not accept in the mail any first-class mail for delivery in time for Christmas if it was put in the mail after December 17.

Mr. Drew: Mr. Speaker, I do not want to interrupt, but I insist that the record be correct. This was not put in the mail after

December 17. It was put in the mail in sufficient time to bear the Vancouver postmark of December 17.

Mr. Rinfret: I must reiterate my statement as to the advertising that was put in the papers. When we put that advertising in the papers we did not anticipate that there would be the large flow of mail that there has been this year—much more, in fact, than in any previous year. Nor did we anticipate that there would be the worst series of snowstorms we have had in many decades. All the delivery systems and distribution systems in all cities have been disrupted. We have tried in all ways imaginable to make deliveries, and made as many as four or five deliveries on the day before Christmas so that all things would arrive in time for Christmas.

Then, we employed more than 25,000 additional helpers for sorting and for letter carrying duties. And, sir, I do not think there is anything possible we could have done more than we have done.

Mr. Pouliot: At last, Mr. Speaker, I agree entirely with the leader of the opposition (Mr. Drew) and with the Postmaster General (Mr. Rinfret), too. I thank the leader of the opposition because he has supplied the government with the strongest possible argument for the construction of a new government building at the earliest possible date at Riviere du Loup.

COMBINES INVESTIGATION ACT

PRIVILEGE, MR. GARSON—CORRECTION OF STATEMENTS IN DEBATE ON PRICE FIXING

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I rise to a question of privilege. I should like to say that I referred in the house on Thursday last and again yesterday to a complaint under section 498A of the Criminal Code. I made this reference for the purpose of illustrating the use to which the section could be put, and the facts I gave were from my recollection of an informal conversation with the commissioner of the Combines Investigation Act in which he gave me general information about pending cases. Speaking from my recollection of this conversation, I indicated that the matter had been closed on the basis of no offence having been established. Since the house rose last night I checked with the commissioner and found that I was incorrect in stating that the case is closed. The complaint is still under investigation, and I wish to correct the record in that respect. I do not think I should say more since the case is still under inquiry.

And then, while I am on my feet, I think I should make reference to the fact that in response to a question by the hon. member for Kamloops (Mr. Fulton) I stated that the case to which I have just referred was the only case in which section 498A of the Criminal Code had been invoked. However, the commissioner sent to my office a note indicating that in the recent glass prosecution in Ontario a charge under section 498A was referred to the grand jury, and that although the grand jury brought in a true bill and the parties pleaded guilty to the main charge under section 498, the grand jury did not think that the evidence submitted to it warranted their bringing in a bill on the charge under section 498A.

RIGHT HON. WINSTON CHURCHILL

DETAILS OF VISIT TO CANADA IN JANUARY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in view of the fact that government notices of motion come before the orders of the day will be called, and that on one of those government notices of motion there may be considerable debate, perhaps I might be permitted at this time to refer to the forthcoming visit to Canada of the Prime Minister of the United Kingdom.

I have been in communication with Mr. Churchill from time to time about his proposed visit to Canada and the United States, and the dates were finally settled only late yesterday. They have already been announced in London. I hope that the further information that has come over the radio about the terrible storms along the coasts of England, and the delay occasioned to the *Queen Mary* will not require a change in the schedule that had been arranged for Mr. Churchill's visit. I might say there has been no information so far of any change being required.

As I indicated some time ago, Mr. Churchill did not wish to make more than one major speech while in Canada. It was suggested some time ago that the speech should be made at a state dinner in Ottawa, and should be broadcast. Mr. Churchill has accepted that suggestion.

The date which has now been fixed is Monday, January 14, and it is the intention of the government to have invitations sent to all members of both houses of parliament, including of course the lady members, although the dinner would otherwise be a dinner for men only, since Mr. Churchill is not being accompanied by Mrs. Churchill on this occasion.

BUSINESS OF THE HOUSE

Mr. Speaker: Before proceeding with government notices of motion, does the house wish me to call the order for questions?

Mr. Drew: Yes, I think they should be called.

Mr. Speaker: Then, with the consent of the house, I shall do so.

Mr. Fournier (Hull): Agreed.

QUESTION PASSED AS ORDER FOR RETURN

EROSION ON LAKE ERIE

Mr. Coyle:

1. Has any investigation been made into methods and means of preventing erosion on lake Erie by reason of the decay of the east pier at Port Bruce, Ontario?
2. If not, will the government give consideration to taking steps designed to stop the effects of erosion and to remove the cause?

NEWFOUNDLAND

R.C.A.F. TRANSPORT ON SPECIAL FLIGHT FROM ST. JOHN'S TO GANDER

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the leader of the opposition asked me yesterday if any further information had been obtained about a certain flight of an R.C.A.F. plane from St. John's, Newfoundland, to Gander in November last. I told him I understood that the Minister of Veterans Affairs (Mr. Lapointe), acting as Minister of National Defence at that time, had prepared a note which I had seen at the time. I said I would endeavour to secure it and communicate it to the house. It is in the following form:

In replying to the question asked by the leader of the opposition, regarding R.C.A.F. transport provided to assist the Newfoundland government, the Prime Minister on November 26 undertook to obtain further information which I am now in a position to give. As outlined by the Prime Minister, it is the general policy to be of service to provincial governments in instances of urgency and need where other means of transport are not available, but, in cases which would not normally fall under the heading of search and rescue operations, the provincial government concerned is normally asked to reimburse national defence out-of-pocket expenses incurred.

When this matter was brought to my attention on Thursday evening,—

That would be Thursday, November 22.

—it was not possible to communicate by telephone with either Premier Smallwood or the R.C.A.F. officer in command at St. John's. After reviewing the circumstances of the request and taking into consideration the assurances of the premier of Newfoundland that no civilian transport could be obtained, that this flight was urgent and that the flight involved transportation of a government official—not a politician—I felt that it might not be fair to throw upon a subordinate air force officer the responsibility for making what was essentially a ministerial decision, and I authorized the flight to be made on the basis of reimbursement in the usual manner of our out-of-pocket expenses.

Had it been possible to speak to the premier of Newfoundland, I would have ascertained precisely what the exact purpose of the flight was before making a decision.

I have since been advised the only passenger was one employee of the government who went to Gander and that no passenger arranged for by the Newfoundland government returned in the plane.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I recognize the difficulty with which the Prime Minister would be confronted in dealing with a matter of that kind and of necessity accepting the explanation that was given, but in view of the event that was anticipated a few days later in Newfoundland I do suggest that further examination will indicate that this was a rescue operation of a kind not ordinarily included in the term "search and rescue operation".

TRADE

STRATEGIC CHEMICALS—REPORTED SHIPMENTS TO HUNGARY

On the orders of the day:

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, I should like to answer a question which was asked yesterday by the leader of the opposition with regard to the alleged shipment of strategic chemicals to Hungary. The question was as follows:

I wish to direct a question to the Minister of Trade and Commerce (Mr. Howe) or to whoever can speak for him in this matter. There has been an extensive discussion in the press of the charge made by the commerce department of the United States that the Continental Pharma Company of Montreal has been secretly exporting strategic chemicals to communist Hungary. I should like to ask what information the government can give us about this matter and what steps have been taken, from the point of view of the Canadian government, to deal with this situation.

In answer may I say that officials of the Department of Trade and Commerce have been in close touch with officials of the office of international trade of the United States department of commerce for some time in connection with this matter. The grounds for the proceedings by the United States authorities against A. E. Ratner Chemical Company of New York, Continental Pharma Company of Montreal, and the Continental Pharma Company of Brussels, involved one shipment of aluminum oxide, abrasive grade. This shipment was made direct from the United States to Belgium in May, 1949, and it is reported that it was forwarded from Belgium to Hungary.

The Royal Canadian Mounted Police examined the books of the Continental Pharma Company in Montreal in May, 1950, and from the evidence available there apparently was no infraction of the Canadian export control regulations involved in this shipment of aluminum oxide from the United States to Hungary. Since that time the export operations of this company have been closely

scrutinized by the Department of Trade and Commerce and we have every reason to believe that there has been no infraction of Canadian export control regulations.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in relation to the answer that has been given, may I suggest that since these matters are largely the subject of regulation this would appear to be an appropriate time to make the suggestion that it would be in keeping with the thoughts of the people of Canada that steps be taken to prevent the delivery of any kind of strategic materials to those beyond the iron curtain. This type of trade is peculiarly repugnant to our people at this time and if we err in any way, it should be to err on the side of stopping all trade with communist-dominated countries which can in any way support their economy, let alone build up their defensive power.

Mr. McIlraith: I want to say that the regulations do not permit the export of strategic materials to iron curtain countries. I think that should be pointed out. It should be remembered that this phase of the legislation was discussed at some length when the export and import bill was before the house. I think it should also be recalled to the attention of the house that this alleged offence was not a shipment from Canada, but concerned a shipment of material from the United States. In addition it should also be pointed out that the offence was alleged to have occurred in May, 1949, and was investigated in early 1950. The operations of the company concerned have been under very close scrutiny ever since and there is no reason to suspect any breach of our regulations. There has been a great deal of care exercised.

Mr. Drew: I think it is of sufficient importance, without debating the matter, to point out that no matter how any company may conform with our own regulations I am satisfied that the people of Canada feel sufficiently strongly about doing anything directly or indirectly which might assist our only possible enemies, that no device which may conform with our export laws but which results in the ultimate delivery to countries beyond the iron curtain should be permitted. When it is discovered I think every appropriate step possible should be taken to make sure that our regulations prevent indirect as well as direct delivery of substances of this kind.

Right Hon. L. S. St. Laurent (Prime Minister): I think the house as a whole would wish to be assured that the government is in full sympathy with the thoughts expressed by the leader of the opposition (Mr. Drew) with respect to possible procurement from Canadian sources of strategic materials by countries behind the iron curtain. It is something which is perhaps difficult to deal with but the government wishes to have all its officials do everything possible to make it as sure as can be that no strategic materials from Canadian sources can be obtained by countries behind the iron curtain, whether there be apparent compliance with the regulations or not. If we find that by apparent compliance with the regulations there are still loopholes, we want to plug those loopholes because we feel, as does the leader of the opposition, that the people of Canada do not want strategic materials from Canadian sources to become available to countries behind the iron curtain.

[Later]:

Mr. Drew: On a question of privilege, I wish to refer to a word that I used in relation to the export of strategic materials. I recognized as I sat down that it might convey an impression that certainly is not in my mind. I said that we would not wish to have any arrangement whereby, directly or indirectly, strategic supplies or any supplies could go to the countries beyond the iron curtain that would build up their economic or defensive powers. I naturally did not use the word "defensive" in the sense of building up defensive strength because the reason that we are so concerned as Canadians about any strategic materials going there is that we recognize it is not for the purpose of building up defence but for building up their aggressive power. I wished to make that correction so that the word "aggressive" may be used instead of a word that has perhaps come to be used rather loosely as relating to military preparations.

MING SUNG INDUSTRIAL COMPANY

USE OF CANADIAN FLAG

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Since this may be the last opportunity during the present year, may I ask the Prime Minister if he can state to the house what the present situation is and what steps the government has taken in regard to the Ming Sung company.

Right Hon. L. S. St. Laurent (Prime Minister): Perhaps the Minister of Finance might inform the house as to what is the position with respect to the Ming Sung company.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I think the Prime Minister gave the house some information on this question

when I was in Europe two or three weeks ago. So far as I am aware there has been no change in the situation. The local agents of the department in Hong Kong were instructed to institute legal proceedings to arrest the ships. The ships however have remained in Canton on the assertion of the owners that the crews refused to sail them under these circumstances. The owners of the ships were informed that in view of the attitude which had been taken the ships could no longer be permitted to operate under the Canadian flag. The matter stands there. We are unable to arrest them in Canton. So far as our information goes, they have not moved from Canton in the meantime. The question of Canadian registry is linked with the validity of the mortgages. There are some legal questions involved there, and I do not know that I would care to elaborate on those this morning without further informing myself as to what the situation is.

Mr. Drew: May I point out that the legal aspect of this matter rests upon a very frail foundation while these ships are in the harbour of Canton. I would suggest it is perfectly obvious that any recognition of a legal obligation will be one which will be enforced by other authorities than our own under these circumstances. I think the dignity of Canada, as well as respect for the Canadian flag, both demand that an order in council be passed immediately rescinding the special order in council which gave them the unusual right to fly the Canadian flag although there were no Canadians manning these ships.

Mr. Graydon: We should not have been in this in the first place.

OLD AGE SECURITY

RETROACTIVE PAYMENTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, will the Minister of National Health and Welfare answer the question I asked him yesterday?

Hon. Paul Martin (Minister of National Health and Welfare): Yesterday my hon. friend asked me: If an application for old age pension is sent in on or before January 1, 1952, but the applicant has not been able to secure proof of age before the end of January or February, will the old age pension date back to January, 1952? The answer is yes. My reason for giving that affirmative reply is based on the act itself. The reason I did not make the reply yesterday was that the section of the act which gives this authority is purely permissive in effect, and as I had anticipated tabling today the regulations pursuant to the Old Age Security Act I preferred to wait until they were tabled. I can now add that pursuant to those regulations, where applicants have difficulty in establishing their age and delay results therefrom, this will be regarded as a delay arising out of circumstances beyond the control of the applicant, and payment in such cases where the application form has been received in December will be made retroactive to January 1.

CHINA

CANADIAN MISSIONARIES—POLICY AS TO REPATRIATION

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): With your permission, Mr. Speaker, I should like to answer the question asked by the hon. member for St. John's West (Mr. Browne) on Thursday last dealing with the number of Canadian missionaries still remaining in China and whether the government had any special policy with regard to their repatriation.

The records of the Department of External Affairs show that the total number of Canadians in China is 201, and of these 162 are missionaries and their dependents. On a number of occasions toward the end of the civil war in China, and after the communists achieved power, the Canadian government notified all Canadian citizens in China known to the Canadian representatives that in view of the situation in that country they should leave as soon as possible. Many of them have done so, as the figures I have just given would indicate. Others have not been able to or, from the highest motives of service to the Chinese people themselves, have not desired to.

The established policy of the Canadian government is to repatriate, if necessary at public expense, any Canadians in distress abroad. With regard to those Canadian citizens who are still in China, the Canadian government takes as generous as possible a view administratively as to what constitutes destitution or distress among missionaries in China. In such cases the government is always ready, upon request by a church order or society, to do everything it can to assist the repatriation from China of any of its missionary members. On receipt of this assistance, the order or society is asked to give the usual undertaking for repayment.

It is becoming increasingly clear that Canadian missionaries and others have been subjected and are still exposed to mistreatment and injustice by the authorities of the Chinese

communist government. There are no grounds which justify these actions which, indeed, violate all standards of decent international conduct. The government, and especially the Department of External Affairs, have received both privately and publicly a good deal of advice as to what should be done to stop this persecution and to protect Canadian citizens. The difficulties in the way of action which is likely to be effective in this regard are obvious, especially when we do not recognize the communist government of China and must, therefore, request the diplomatic good offices of other states. But I can assure the house that we are doing everything we possibly can to discharge our responsibilities in this matter. I would add, however, that if we tried to intervene along lines which have, with the best of intentions, been advocated by some, we would not help the unfortunate Canadians concerned but might well increase their difficulties and, indeed, add to their dangers.

FISHERIES

STORMS IN NOVA SCOTIA—DAMAGE TO FISHERMEN'S EQUIPMENT

On the orders of the day:

Mr. T. A. M. Kirk (Digby-Yarmouth): In view of the change in our procedure, are we going to be permitted to ask oral questions now? If so, I should like to direct one to the parliamentary assistant to the Minister of Fisheries.

Mr. Speaker: Is it the wish of the house that oral questions should be asked now?

Some hon. Members: Agreed.

Mr. Kirk (Digby-Yarmouth): I should like to ask the parliamentary assistant to the minister two brief questions based on my question to him of a week ago Friday. Is the Department of Fisheries carrying on an investigation to ascertain the loss suffered by the lobster fishermen of southwestern Nova Scotia owing to severe storms in the last week? If such an investigation is being carried on, has he as yet any figures to indicate the extent of the loss?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I thank the hon. member for giving me notice of his question. The Department of Fisheries, as it does in all cases where the welfare of fishermen is involved, is carrying out an investigation concerning the amount of damage done by the storm in Nova Scotia. Preliminary reports have been received concerning the amount of damage but not sufficient information has come to hand on which could be based any actual estimate of the amount of damage done.

[Mr. Pearson.]

LABOUR CONDITIONS

UNEMPLOYMENT IN THE TEXTILE INDUSTRY

On the orders of the day:

Mr. W. G. Blair (Lanark): I wish to direct a question to the Minister of Labour. Is the minister ready to make a statement on the measures to be taken by the government to relieve the unemployment situation in the Canadian textile industry? This matter is urgent.

Hon. Milton F. Gregg (Minister of Labour): I think my hon. friend perhaps refers to that phase of unemployment to which he called our attention the other day. I know that he attended a meeting in that connection within the last few days. When he spoke to me the other day I told him that just before Christmas, with officials of the various departments of government concerned, I met a delegation on the matter. Since that time I have taken their representations up with the ministers concerned and the matter is receiving consideration.

IMPORTATION OF REFRIGERATORS—LAY-OFFS IN CANADIAN PLANTS

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce, in view of the fact that I have received a communication from a labour group in my riding indicating that the work days had been cut from four to three days per week. On December 21 I asked a question about refrigerator freezer units and it was claimed that last year less than 500 refrigerators came from the United States whereas this year the number is 98,000. Has the government done anything to stop this dumping?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I believe there is no evidence of dumping at all in so far as refrigerators are concerned. The departmental officials have checked into the whole question of refrigerators, their production and sale in this country. I recognize it is not appropriate to debate the subject or deal with it fully now, but I feel I should place on the record the fact that in the early part of this year there was a rate of production on refrigerators that was very much beyond any reasonable expectation of consumption in Canada for this year. A considerable amount of the difficulty of that industry is due to that factor. As to dumping, I am not aware of any dumping within the meaning of the act.

Mr. Hodgson: In reference to dumping, may I say one word—

Some hon. Members: Order.

Mr. Speaker: Order. May I interject for a moment to say that today I have allowed wider latitude than the wide latitude I have allowed regularly, since this may be the last day of the session. I do not like to stop an hon. member at this time, but may I ask all hon. members to endeavour to abide by the rules with respect to the asking of questions.

Mr. Hodgson: I refer to this question of dumping because the Minister of Trade and Commerce referred to it as dumping when he answered the question on December 21.

ARMY CLOTHING—PLACING OF ORDERS

On the orders of the day:

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, I should like to reply to a question asked yesterday on the orders of the day by the hon. member for Lanark (Mr. Blair), which was as follows:

Is it true that the Canadian government has placed orders for army clothing in Britain, United States or France?

The answer is that no army clothing has been purchased in Britain, the United States or France with the exception of 75,000 pairs of socks of United States pattern and 50,000 pairs of cotton field trousers purchased in the United States last April and May to outfit Canadian troops training in the United States and proceeding to Korea. There was also an order for 2,590 kilts, involving seven different tartans, which were purchased in Scotland by the Department of Defence Production.

However, textiles have been imported when not available in Canada, but this has been done only after consultation with the industry. Wherever possible the material has been purchased in the greige, to be finished in Canada.

INQUIRY FOR RETURN

MARSHLANDS—EXPENDITURES UNDER RECLAMATION PROGRAM

On the orders of the day:

Mr. P. C. Black (Cumberland): Mr. Speaker, I should like to ask the Minister of Agriculture about some questions I submitted on November 2 with respect to certain expenses in connection with marshlands reclamation. This is not by way of criticism of those who have the matter in hand; it is for the purpose of getting information for a great many people who want it. The questions were made an order for return and I have never received it. My questions were submitted on November 2.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the only reason why the return has not been brought down yet is that we would have to send down to the maritimes for some information and probably it has not come back yet. As soon as I get the information, I shall see that the hon. member gets it, whether the return is down or not.

Mr. Black (Cumberland): I wish to thank the minister for his courtesy.

[Later]:

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, if you will permit me to revert to motions I should like to lay on the table parliamentary return No. 25, moved for by Mr. Black (Cumberland); subject: What was the total expenditure under the marshland reclamation program, by projects?

Mr. Black (Cumberland): I am very pleased to get that return, but I should like to have a copy of it, if I may, as the mover of the motion.

Mr. McCubbin: We will try to get one for the hon. member.

POULTRY

NEWCASTLE DISEASE IN NOVA SCOTIA—USE OF VACCINE

On the orders of the day:

Mr. P. C. Black (Cumberland): I should like to ask the Minister of Agriculture if the vaccine used in Nova Scotia as a preventive against the possibility of Newcastle disease in poultry had the opposite effect and actually infected the hatcheries with this serious disease with the result that the birds vaccinated actually died by the thousand, and the disease was spread where there was none before, and is now a menace in whole communities. Are the owners to be fully reimbursed for the birds destroyed? Are the owners of hatcheries and others to be reimbursed for the loss of business?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, we have legislation under which payments are made when farmers lose livestock because of the ravages of certain diseases. Under that legislation payments are made when the poultry has been destroyed as a result of the ravages of Newcastle disease among poultry. There has been some discussion with regard to the vaccine which has been used for the purpose of combating the disease. That question came first from the province of British Columbia. We have had considerable discussion with persons involved there. Since the outbreak in the maritimes we have been having some similar experience, but the matter of dealing with it has not gone sufficiently far yet for me to say definitely

what the final decisions will be in connection with it. Much of the effort which is being made to combat the disease is of necessity experimental and there may be occasions upon which there is some responsibility involved; but so far none has been established. At the moment we are simply making the investigation and in due course the whole matter can be dealt with and announced.

Mr. Black (Cumberland): Mr. Speaker, I understand the outbreak in the maritimes is due to faulty vaccine, not to an ordinary outbreak of the disease.

Mr. Gardiner: No, Mr. Speaker, that is scarcely correct. We would not have been doing anything at all in the maritimes with regard to the disease had there not been an outbreak. The outbreak was there before we were operating at all in the province. There is some question, with regard to certain flocks, as to whether there might have been an outbreak in those flocks had not certain things been done; but that matter has not been cleared up yet.

UNITED NATIONS

ELECTIONS TO SECURITY COUNCIL—VOTE IN ASSEMBLY

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I wish to direct a question to the Secretary of State for External Affairs. How did Canada vote in the United Nations assembly on December 20 in the contest between Greece and Byelorussia for election to the United Nations security council?

Hon. L. B. Pearson (Secretary of State for External Affairs): The vote in these elections in the United Nations is by secret ballot; and I do not think it would accomplish any purpose at this moment if I declared how we voted on this occasion.

Mr. Fleming: Mr. Speaker, I know this matter is not debatable, but while the vote is secret in the United Nations assembly I do not see any reason why secrecy should be observed in this House of Commons with regard to a matter which I think is of no little interest to hon. members.

HOUSE OF COMMONS

PAYMENT OF STENOGRAPHERS

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to address a question to the Minister of Finance. Owing to the fact that some members of the stenographers' staff find themselves short of cash, and because of the possibility that the house may close tonight, will they be expected to report for duty on Monday, and if not, when can they expect their cheques?

Hon. Douglas Abbott (Minister of Finance): I am afraid that is a matter that falls under the jurisdiction of Mr. Speaker, and not under the jurisdiction of the Minister of Finance. The house vote is there. It is available for the employees of the house in the normal way. I am sure that the office downstairs, including the treasury officer there, will do its utmost to see that not only the members of parliament but the members of the staff receive all that they should receive before the end of the current year.

AUDIBILITY OF DEBATE—SOUND-AMPLIFICATION SYSTEM

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to address a question to the Minister of Public Works. Does he contemplate doing anything further with regard to the installation of amplifiers or a public address system in this chamber before the house meets next time?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I wish I could give that assurance to my hon. friend; but in order to sign this contract there have to be two parties, namely the contracting party which does the work and the Department of Public Works. To date we have not reached an agreement. I will tell my officials to do their best to proceed with haste, as they always do.

Mr. Drew: Mr. Speaker, it is impossible not to recognize the fact that if there is one minister who can give an unsatisfactory explanation in a satisfactory manner, it is the Minister of Public Works. But I would point out that this subject has been under discussion for many years, and that while it has been under discussion here the House of Commons at Westminster has been rebuilt, that a system of loud speakers has been installed there which is entirely satisfactory, and that in a country which is not usually regarded to live at a tempo equal to that at which we live in our own country, they seem to have done quite a number of things prior even to the installation of the equipment, and then to have been able to put equipment into operation to the complete satisfaction of the members of parliament and everyone who visits Westminster.

Mr. Fournier (Hull): As the leader of the opposition often does, he has spoken with sense this morning. I am not alone in this matter. Had I been alone, I would have installed that system four years ago.

Mr. Drew: Where are you being restrained?

Mr. Fournier (Hull): It was necessary to get the agreement of 262 members as to what system we would instal.

An hon. Member: It was given last year.

Mr. Fournier (Hull): Mr. Speaker went to Britain and to Rome. A former Speaker went to Havana and to Spain or some other country.

Some hon. Members: Oh, oh.

An hon. Member: What about Peru?

Mr. Fournier (Hull): They both came back with their personal ideas. Then we had a committee of the house sitting with Mr. Speaker, and that committee decided that we should instal here a system similar to that in Britain.

Mr. Coldwell: That is right.

Mr. Fournier (Hull): I suppose that the Tannoy company of Britain have patents on their equipment. We have to deal directly with them. I cannot see any other firm in Canada that actually has a similar system.

Mr. Fleming: Speak up, please.

Some hon. Members: Louder.

Mr. Fournier (Hull): Being in the hands of the company which could instal that system, we have to come to some agreement, and we have not come to that agreement. I have outlined what we thought we would do for the House of Commons, namely have this company instal this system, maintain it in a state of repair and operate it, and then we would sign a lease with this company for some years and give it a trial. We have not reached that stage, but you may rest assured that after I have taken a few days' rest during New Year's time I will personally attend to this matter.

Mr. Coldwell: Do I understand that a firm offer has been made by the Minister of Public Works to the British company—

An hon. Member: No.

Mr. Coldwell: —that you will be prepared to enter into an agreement of this description provided satisfactory financial arrangements could be made?

Mr. Fournier (Hull): If my memory serves me correctly we tabled correspondence with the company at the request of the hon. member and in that correspondence we were discussing the way we could proceed with the installation of this system. We will in the future have this system installed.

REQUEST FOR DATE OF NEXT SESSION

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to direct a question to the Prime Minister. I am sure it would be of great assistance to hon. members in making their future plans if they could know approximately when the government expect us to come back in session. Has the Prime Minister anything to say about that matter at this time?

Right Hon. L. S. St. Laurent (Prime Minister): I am sorry, Mr. Speaker, but I cannot make any forecast at this time as to the date when parliament will reconvene for another session. We shall have to dispose of this one first. As suggested by the Minister of Public Works (Mr. Fournier), there are quite a number of matters that have not been attended to because of the pressure upon the cabinet of sessional business. They will have to be dealt with between the sessions, and I hope they can be dealt with both expeditiously and efficiently.

Mr. Graydon: I hope we will not have to wait until the loud speakers are installed.

REQUEST FOR ENGLISH "HANSARD" INDEX

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Referring to a recent tribute by the member for Eglinton (Mr. Fleming) to the persons who prepared the English index of *Hansard* for the first session of 1950 and the first session of 1951 as well as this session, is it true that the three indexes will be ready and available to the members one week after prorogation?

Mr. Speaker: It is not the custom of Mr. Speaker to answer questions from the floor of the house. All I can say at this time is that the matter is receiving the careful attention of the officials of the house, and I am informed progress is being made. I shall be pleased to give the hon. member for Temiscouata any further information which I have on this matter if he will be kind enough to see me in my chamber.

Mr. Pouliot: Thank you, but the progress is not to that extent, if my understanding is correct.

FEED GRAIN

PRICE OF BARLEY FEED

On the orders of the day:

Mr. W. G. Dinsdale (Brandon): I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce. Why is the western livestock producer

being asked to pay $1.35½ per bushel for barley feed when the total payment received by the western barley producer for the 1951 crop was $1.10¾? Is this price of $1.35½ per bushel asked by the wheat board uniform right across Canada?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I have had no notice of that question. It is obviously one that cannot be answered offhand. There are several allegations of fact in the question, and I must assume the statements made are true, but I should like the opportunity of checking before giving any answer.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL FOR ACCESSION OF GREECE AND TURKEY

Hon. L. B. Pearson (Secretary of State for External Affairs) moved:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of Greece and Turkey, signed by Canada at London on October 17, 1951, and that this house do approve the same.

He said: Mr. Speaker, the resolution which you have just read, and which I have the honour to recommend to the house, transfers our discussion from the domestic to the international field, and from the interesting if somewhat contentious questions of resale price maintenance to the equally interesting, but I think possibly less contentious, subject of the membership of Greece and Turkey in the North Atlantic Treaty Organization. Before dealing with that specific matter, it might be desirable if I made a short statement, not on the general international situation but on the work of the North Atlantic Treaty Organization itself, because that will I believe assist the members in understanding the importance and indeed the meaning of this resolution.

Hon. members will know, of course, that the council of the North Atlantic Treaty Organization met a month or so ago in Rome. It was, I believe, the eighth meeting of the council. Some very important questions indeed faced the council at that meeting. Some of these questions had been postponed from the meeting which was held in Ottawa, and some of them were new questions. The main problems which faced us in Rome were as follows: First, we examined, though in no official sense because that work was not completed, the work of the temporary council committee appointed by the council at its Ottawa meeting. This committee had the responsibility of attempting to match the requirements for defence and the resources of the separate members of the council which could be devoted to that defence, having regard to their political and economic capabilities.

This work of the T.C.C. under the chairmanship of Mr. Harriman, known as the burden-sharing exercise, was not completed; indeed it had not been nearly completed when we met at Rome, and we were not able to deal with it at that time. Since our meeting in Rome, however, the executive committee of this committee of twelve, also popularly known as the three wise men, have made a report on the matter to the full committee.

The committee of twelve met in Paris the other day to consider that report, and will meet again in Paris on January 15 to give further and final consideration to it. The subject will then be referred to the next meeting of the North Atlantic council, which will be held sometime in February, in Lisbon, Portugal. I do not think it would be desirable for me to say anything more at this time about that report, because it has not yet been finally submitted to governments, and no final decision has been taken on it yet by these governments.

Another very important question which faced us in Rome, and will face us again in Lisbon, is the association of Germany with western European and Atlantic defence. It is a matter of vital concern to the defence of peace in western Europe; but one that bristles with difficulties which, I suppose, are better appreciated on the continent of Europe than they are on the continent of North America. This association is now being discussed by the European countries concerned, and it is hoped that it can be brought about by the creation of a European defence force, which would itself be part of General Eisenhower's integrated force for the defence of western Europe under the Atlantic council. Progress is being made in the creation of this European defence force, and we hope that the council at its next meeting will be able to take important and far-reaching decisions regarding it.

Another question which is related to the one I have just mentioned, and which concerns our North Atlantic council, is the progress being made in the replacement of the German occupation statute by a peace contract with the government of the federal republic of Germany. Progress has also been made in this matter, but I think it is obvious to hon. members that a decision must be reached in regard to it before we can reach a final decision in regard to the association of western Germany with western European

defence. These two subjects are interrelated; indeed, they hang together. These are complicated problems, and we should not I think get too impatient if final decisions are not reached in regard to them at once.

Another question which faced us at Rome, Mr. Speaker, was that of command in the north Atlantic and indeed command in the Mediterranean. We also discussed at Rome the question of the re-organization of the North Atlantic organization. It is becoming in a sense a rather unwieldy international agency. It has grown quickly. It has grown, as things sometimes do which grow quickly, without that kind of arrangement and planning which we would have desired, and which we would have achieved if we had had more time. So we are giving consideration in the North Atlantic organization now to the streamlining, the making more effective of the whole organization. Also—and this will be of very considerable interest I know to some hon. members—we received at our North Atlantic council meeting a report from the committee of five on non-military co-operation. That was in the nature of an interim report, and not meant to be anything else. Because it is an interim report I do not think I need say much more about it at this time, Mr. Speaker. We are continuing our work on this committee of five, and we will have something more to say about it at the next meeting in Portugal.

Then finally at Rome—and this was not a problem; it was a privilege—we welcomed to our deliberations, not as full members, because the protocol that we are considering today has not been accepted, but as observers for the first time, the representatives of Greece and Turkey. The hon. member for Eglinton (Mr. Fleming) asked me a few moments ago how we had voted in the security council of the United Nations in the contest between Greece and Byelorussia for election to the United Nations security council. We have not in the past declared publicly how we vote in these matters and, as I said a few moments ago, no useful purpose would be served if I made a public declaration now; but I will assure him and the house that we welcomed very much the membership of Greece in the security council of the United Nations, just as we welcomed the representatives of Greece and Turkey to our North Atlantic council meeting in Rome as observers.

These big questions which I have mentioned and which are vital for peace and security in Europe were not decided at Rome. The Secretary of State for Foreign Affairs of the United Kingdom said not long ago that the Rome meeting was in a sense an intermediate meeting between the Ottawa meeting and the next meeting in Portugal. But it has become increasingly clear that we cannot postpone decisions on these matters indefinitely and we are expecting decisions to be taken at the next meeting.

Mr. Graydon: They cannot all be intermediate meetings.

Mr. Pearson: I read not long ago in the New York *Times* an article by one of its European correspondents, Mr. Sulzberger, which very well summarizes I think the Rome meeting and the problems that faced us in the North Atlantic organization subsequent to that meeting. Mr. Sulzberger wrote at that time:

> NATO undoubtedly became aware at this Rome meeting that its development is at a very critical stage. However, the ministers proved that they could debate one another's views in what is becoming a small and select parliament—

I may say in parentheses, it was not so small at Rome. One of our difficulties in the North Atlantic council is the number of people who now attend the meetings. We had between 300 and 400 at one of the meetings in Rome, and it is very difficult to conduct intimate informal discussions with that number of people in the room. Mr. Sulzberger goes on:

> —and still remain friends and allies. They also recognized that there is value in the habit of getting together.

And that value is emphasized more and more the oftener we meet together. He went on:

> The organization must surely have recognized that it is now in the period where it will suffer its greatest growing pains. Looking back, it can recognize the considerable achievement of the past year, in which an army with its allied headquarters has been consolidated in Europe. But looking forward, it is becoming increasingly aware of long, difficult and expensive years looming ahead for an indefinite time.
>
> The price of liberty is rather high and every one of the twelve nations (plus Greek and Turkish observers) was surely even more aware of that truism when the Rome meeting was over. This awareness is a necessity as the pact develops toward that condition of strength which, it is hoped, will finally permit the negotiation of a more real peace than exists today.

As one further step toward that goal of the negotiation of a real peace, we are today discussing a protocol which provides for membership in our North Atlantic Treaty Organization of Greece and Turkey. I said something about this matter in the house on October 22, and I do not wish to repeat what I said then. Hon. members will recall that at our North Atlantic council meeting in Ottawa in September it was decided unanimously to take the steps which would be

necessary to invite Greece and Turkey to full membership in the organization. And the protocol which we have before us, and which I think has been in the hands of hon. members for some weeks, is the result of that decision taken in Ottawa.

What faces us now, before that protocol can be made effective, and before an invitation can be given to the countries in question, is its ratification. That, following a well-established constitutional practice, should receive parliamentary approval before the government acts. It is parliamentary approval we are requesting today in the resolution before the house.

This question of the membership of Greece and Turkey in our North Atlantic Treaty Organization is the result of long and careful consideration. There were various ways by which these two countries could be associated with the defence of western Europe, and with the defence of the Mediterranean and North Atlantic states. We examined these various ways before we decided on the solution of full membership. If we took some time in examining the alternative methods, it was not because we did not appreciate the importance of associating Turkey and Greece with our efforts in the North Atlantic organization.

These are two countries, Mr. Speaker, one of which has already been the victim of communist aggression, and the other of which in recent years has had to face threats of communist aggression. They have already indicated their devotion to peace, and their determination to protect their freedom.

They are two countries which in Korea have also proven their devotion to the idea of collective security. They have proven it by the heroic action of their men on the battlefields there. If we considered this question at some length it was also not because we did not realize the importance of safeguarding and strengthening the south flank of the North Atlantic area or because we did not realize the importance of the contribution Turkey and Greece could make to that end.

It was thought at one stage that possibly the result which we all desired could be achieved by some kind of reinforcement of the bilateral defence arrangements which these two countries already had with the United States and certain other countries, and which by the overlapping membership of those arrangements with the membership in the North Atlantic council could achieve the purpose we had in mind.

It was also thought at one stage that possibly this purpose might be achieved by building up a separate Middle East or Mediterranean pact which would be closely associated with the North Atlantic pact, again through overlapping membership and possibly military planning.

After careful consideration it was decided that the best solution of this problem was not those which I have indicated, but rather an invitation to these countries to become full members in the North Atlantic council, and signatories to the North Atlantic pact.

That was the position taken from the beginning by the United States and by the United Kingdom. It was the position taken by the governments of Greece and Turkey themselves, who felt that full membership was the best solution to this problem, from their point of view. It was the position taken by the North Atlantic military advisers. It was felt also that, even if it had been desirable, probably it would take too long to work out a Mediterranean or Middle Eastern or Near Eastern pact which, indeed, if we tried to do it, would involve problems of inclusion and exclusion which would not be settled easily, at least at this stage.

As a result of this consideration we agreed unanimously to draw up a protocol, which, if it were ratified by all the governments of the North Atlantic organization, would invite those two countries to accede to our pact.

The effect of the protocol is not to extend the nature of our obligations under the North Atlantic treaty. Those remain as they were. It does, of course, extend the area of obligations, the area in which we specify and reaffirm and indeed organize to carry out the general commitments which we have already undertaken as signatories to the United Nations charter.

While I admit that this protocol, if it comes into effect, extends the area of our international obligations, I think that an examination of this question must convince hon. members that that extension is more theoretical than real. If, for instance, a full-out aggressive attack took place on these countries, such aggression would immediately involve other countries, under their arrangement with these countries; and that, in turn, would involve the North Atlantic countries—and, indeed, it would be world war III.

Now, the step which we are recommending removes any uncertainty on this score. And uncertainty, as history proves, can sometimes in these matters be the greatest danger to peace. It strengthens peace by removing this uncertainty and by adding the defensive strength of these countries to our North Atlantic defensive alliance. It strengthens the deterrent value of NATO; and thereby,

it makes for that peace, which is the only objective of the North Atlantic organization.

There is nothing provocative in this protocol, nor would there be anything provocative in the membership of Greece and Turkey in our defensive organization. It constitutes a threat to no one, except the aggressor. By removing, as I have indicated, the temptation to aggression in that area, an aggression which undoubtedly would spread all over western Europe, and therefore spread all over the world, it strengthens security everywhere.

That, Mr. Speaker, is why the government recommends this protocol to the House of Commons at this time.

Mr. Graydon: Before the minister takes his seat may I ask him a question. I believe it could be done better now than during the course of my remarks. Would he mind explaining to the house the significance of article II, which seems to be somewhat difficult to understand, and may present difficulty to those who read it for the first time.

Mr. Pearson: I should be glad to try to do it now. Article II, which I shall put on the record, and explain as I go along, reads as follows:

If the republic of Turkey becomes a party to the North Atlantic treaty, article 6 of the treaty shall, as from the date of the deposit by the government of the republic of Turkey of its instrument of accession with the government of the United States of America, be modified to read as follows:

And this would be the new article 6 on the accession of Turkey.

For the purpose of article 5, an armed attack on one or more of the parties is deemed to include an armed attack—

(i) on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the territory of Turkey or on the islands under the jurisdiction of any of the parties in the North Atlantic area north of the Tropic of Cancer.

The reason why Turkey is mentioned specifically, while Greece is not, is that Greece is a European country and will be covered by the words "territory of any of the parties in Europe." As most of the territory of Turkey is not in Europe, Turkey had to be mentioned specifically. The second part of this article II of the protocol reads, and I shall repeat the governing phrase:

For the purpose of article 5, an armed attack on one or more of the parties is deemed to include an armed attack—

(ii) on the forces, vessels or aircraft of any of the parties, when in or over these territories or any other area in Europe in which occupation forces of any of the parties were stationed on the date when the treaty entered into force or the Mediterranean sea or the North Atlantic area north of the Tropic of Cancer.

The change in that paragraph is to be found in the words "or any other area in Europe in which occupation forces of any of the parties were stationed on the date when the treaty entered into force." While that has no strict reference to the accession of Greece and Turkey it was included to take into consideration the possibility of the present occupation statute in western Germany being replaced by a peace treaty or a peace contract. If that took place and this change had not been made in the North Atlantic treaty the obligation to come to the help of forces of the member powers in western Germany would not exist because the treaty as we have it now applies only to occupation forces in western Germany. After the peace treaty or peace contract with western Germany they would not be occupation forces and so the words are used as they appear in this article II of the protocol.

Mr. Gordon Graydon (Peel): Mr. Speaker, first of all I should like to thank the minister for making clear the terms of that section of the protocol to which I referred a few moments ago. Speaking on behalf of the official opposition I think I should first of all indicate to the house that our party approves of the protocol to the North Atlantic treaty on the accession of Greece and Turkey. That having been said, there are some observations I should like to make this morning with respect to the matters with which this protocol deals.

I was interested in the remarks of the minister a few moments ago when he indicated that the meeting at Rome, which was held not so many weeks ago, was, in his own words, or in the words of someone else whom he quoted, an intermediate meeting between Ottawa and Lisbon. When the discussions were being held in Ottawa they were loosely referred to as being intermediate between the last meeting and the meeting to be held in Rome. We are now pushing our frontiers a little further along and Rome seems to be intermediate between Ottawa and Lisbon. I hope Lisbon will not turn out to be intermediate between Rome and another conference.

I think the peoples of the North Atlantic community deserve to have something concrete laid before their parliaments without much further delay because there is a great deal of conflict and confusion in the minds of the public as to where we are going in connection with the North Atlantic organization.

I think we have gone as far as we dare go in collaborating with the other nations of the North Atlantic community, without making certain that Canadian public opinion is along with us in what is certainly regarded by everyone as being a great and important

objective, that is the preservation of peace itself. I hope that when the minister is closing this debate he will take the opportunity to reply to certain inquiries which I propose to make during my participation in the discussion in order that we may have a more comprehensive picture of where we stand in connection with the North Atlantic Treaty Organization.

Of course it would be idle to suggest that everything has been sweet and lovely so far as the deliberations of the North Atlantic council up to the present time are concerned. The meeting in Ottawa brought out some important facts. Perhaps it may be said that that meeting democratized the institution to some extent. It certainly brought into the council of the organization some of the smaller powers which up to that time had not felt that their voices had been heard in the same way as those of some of the larger powers.

There was one thing that struck me in connection with the meeting at Ottawa, and I speak only as an outside observer who was here while the meetings were in progress. I refer to the desire of certain European nations not to have their economies affected too greatly by NATO obligations with respect to military matters in the hope that they may be able to keep up their present social security programs in order to keep the threat of communism from penetrating from within while they are preparing to halt it from without before it commits any act of aggression. There I suppose rests one of the principal problems which NATO has to deal with.

Up to the present time there have been many committees working on what is required, but I think the great problem will be to find out how far each nation is prepared to go in carrying its share of the burden which it considers necessary in order that peace shall be preserved. When the minister goes to Lisbon I hope that, so far as Canada is concerned, he will take with him some concrete plans to be meshed in with those of other members of NATO so that we shall come out of Lisbon with something that is real and not merely visionary and imaginary.

If we do not come out of Lisbon with something that is worth while in the opinion of the public of this and other countries I am afraid we may have a lessening of enthusiasm and support which normally would be given to the NATO organization.

As one who from the beginning has been a strong advocate and supporter of NATO, I think we should make sure that this country is a supporter of NATO not only in words but in carrying out its commitments to the extent to which we should go in the interests of peace.

[Mr. Graydon.]

As the minister has said, two more countries are being taken into the North Atlantic Treaty Organization. I could not agree more with what the minister said a few moments ago when he pointed out the necessity of removing the last vestige of uncertainty in connection with crucial and delicate areas in various parts of the world. I am satisfied that uncertainty, wavering and hesitancy are an open invitation to trouble in many of these areas. I am satisfied that if prior to the crossing of the 38th parallel in June of 1950 there had been no hesitancy and uncertainty on the part of the United Nations then those who control the red armies, whether they are North Korean, Chinese or Russian, would not have proceeded to cross the 38th parallel at all. Having that very definitely in mind, it seems to me that the risk which some people think is involved in our acceptance of the membership of Turkey and Greece in the North Atlantic community is much less than they would have us think. While people say there are two tender spots so far as the Russian mind is concerned, the Dardanelles, the sea of Marmora and the Bosphorus, and at the Elbe in Germany, nevertheless let us not forget that something similar was said when Norway came into the organization. People said that Norway was taking a very long chance. The Norwegians interested in the preservation of peace were perhaps taking a long chance, particularly when a country so exposed to the Soviet flank joined such an organization even for defensive purposes, as it was understood it was to be.

But strangely enough, if my information is correct, the Soviet sent about the same kind of note to the Norwegians objecting to their entry into the organization as they have sent to the Turks and the Greeks. I think that indicates that after all if the Soviets are prepared to move they are not going to move just because we have made it certain that if they do so in a certain troubled spot and attack one nation all the others in the same organization will take appropriate action to stop that aggression. Having learned some of the lessons of two world wars, I think we ought to apply them now, and I am one of those who believe strongly that we should not allow a fog of uncertainty to settle over the Aegean sea or the sea of Marmora at this time. It is a strategic point because of the fact that the Soviets today are following the policy of trying to move towards warm water ports. Such a policy characterized the regimes of the old czars of yesterday. In all the Soviet moves outside the communist movement itself where it has been a question of Russia as a nation as opposed to other parts of the globe, there has been a strange

similarity between the foreign policy of the old czaristic regime and the present foreign policy of the Soviet.

Through all the years one of the great plans which the Russians of yesterday had in their minds was to find an open warm water port for their commerce and shipping to the south of their land and into the Mediterranean. That has not changed. I believe we are taking today a step that is not provocative, a step which does not involve so great a risk, and one which I think will help rather than hinder the cause of peace in that area. When we talk of the North Atlantic Treaty Organization I think we have an obligation to the people of Canada whom we expect to support it to the limit once parliament has taken certain courses of action concerning it. I remember saying, when I came back from San Francisco, that I believed it was important that we should have the people solidly behind whatever we are doing in external affairs to the fullest possible extent because, as I said then and repeat now, in my opinion you cannot have a just, lasting and permanent peace unless it be in every form and fashion a people's peace.

I want to repeat those words again on this resolution because the minister spoke a few moments ago of it as being only a question of an extension of area. The extension of the area is pretty important. It is much more than just a detail to be considered along with the extension of the principle itself. For that reason Canadians must not enter into the additional commitments with their eyes shut. They must know the complications and implications involved because it is a serious business no matter how we may look at it. It means that we are at war if even the easterly province of Turkey is invaded. In this sense the protocol creates for Canada the most far-flung obligations of a direct nature that she has had in her entire diplomatic history. I am not saying, because it is the most far-flung diplomatic commitment in our history, that we should in any way be afraid to risk it. I have already said we are in favour of it, but I think it raises problems which the people of Canada must understand, and as a result of understanding will give just that much more basic support in the years that lie ahead.

It raises more problems than simply those on the military front. If I may say so, it raises problems on the political and economic front. I believe the house should be told by the minister at this time what are the full implications on the political and economic fronts as well as the military front as the result of the admission of these two Middle Eastern powers. I think we should be made thoroughly aware of all the ramifications of the international step we are taking. It is much better that we should know now than to learn it some time later. We are prepared to enter into this arrangement, so let us do so with our eyes open and with a full evaluation and appraisal of the advantages and disadvantages, if any, which may be inherent therein.

In dealing with the question of Greece and Turkey I should like to echo some of the things that the minister very properly put on the record. I think it has always been a matter of great pride to the Canadian people to see the way in which Greece and Turkey stand up to those who would interfere with their freedom. We in Canada are a long way from the troubled spots, although perhaps closer in these days than we sometimes think; but nevertheless in relative geographic mileage we are quite a way from these troubled spots. It is sometimes a little easier for the man a long way from the scene to throw out his chest, be very courageous and say what he is going to do. It is not as easy for the man who is right beside the danger. When one considers that Turkey and Greece are right next to the danger zone, right at the front line if you like, I think one can say that they show us a sterling example of the bravery of their people and the determination of these nations to see to it that the bastions of freedom are not in any way interfered with unduly by any aggressor, whoever he may be.

We have every reason to welcome both Greece and Turkey into the North Atlantic Treaty Organization. I suppose that part of the importance of Greece, geographically, lies in its location at the Mediterranean end of the Vardar valley which runs right into the Danube basin and into the very heart of communist east Europe. This country was exhausted as few countries were in world war II; she was exhausted to the point where, had it not been for the determination, the grit and the courage of her people, she would have gone under; a lesser people would never have survived and Greece today would have been in the orbit in which are several smaller nations which are now enjoying that questionable constitutional phase of development which can best be known to the Soviets themselves.

In accepting both of these countries, I think it is important to say that they are not liabilities, no matter how you look at it. We are not agreeing to the accession of Greece and Turkey only for the purpose of protecting them. In return for the agreement that we are making we are getting a substantial contribution to the North Atlantic Treaty

Organization itself. From the military point of view, Turkey has an army whose estimated strength in 1951 was about 500,000 soldiers; Greece had not quite so many. Nevertheless, both countries are in a position, with the support of the great nations, to be able to say that they are not coming in as poor relations. They are coming in on an equal footing and are making a contribution that I think will be of inestimable value to the North Atlantic Treaty Organization as a whole. That is the way I like to see nations come in with us. I like to see them come in on an equal footing, on a proper partnership basis; because only then may we be able truly to assess the kind of contribution we all may make.

There will be Canadians, of course, who will naturally look upon this accession of Greece and Turkey in the Middle East as coming somewhat strangely after what has happened in the past in certain connections in that area. The Canadian memory is a long one. It is not so long ago that this government declined to send to a Middle East location, at a commonwealth defence conference there, any full-fledged delegates from this country; and that was a conference dealing with problems in that area that NATO now will be dealing with. It is true that the Minister of National Defence (Mr. Claxton) said that we were sending an observer. We are not asking Greece and Turkey to come in as observers; we are not going into NATO as observers. We are going in meaning business as a country. It seems to me that many people will perhaps lift their eyebrows over the fact that not so many months ago we were only prepared to send an observer, so little was our interest, seemingly, in Middle Eastern problems. Now, of course, we are going into it on a full-fledged basis. That is no argument against our going in on a full-fledged basis, but I point out that there is an inconsistency there that a sensitive Canadian public, so far as our commonwealth is concerned, will not fail to discern as this program goes forward.

Mr. Pouliot: Will my hon. friend permit a question?

Mr. Graydon: Yes.

Mr. Pouliot: By full-fledged membership, he means active membership, does he?

Mr. Graydon: In NATO, yes. I think everybody will realize that our membership in NATO is an active membership; and I hope that it will become more active as the days go by.

In that same area there was and is today a problem with respect to the Egyptian matter as well. I can recall that the government took some little time in the house before they were prepared to make a statement on that Middle Eastern problem in support of Britain which was at the time extremely hard pressed. I want to point those things out to the government only to indicate to them that in matters relating to Middle Eastern problems or to any other problems throughout the world, where a matter concerns us—whether it be Britain or whether it be some other country—I think that we as a nation deserve to take a forthright stand. That is one of the reasons why I am so glad that this stand has been taken at this time in connection with our NATO organization in the accession of these two important nations.

I have no intention of going further in connection with that matter, except to ask the minister one question which he will perhaps take occasion to reply to when he rises to close the debate. Now that we have established in this matter a somewhat new principle may I ask the minister this? It is, in a sense, a new principle, because prior to this time we were only in a North Atlantic community; now we have extended the principle, if you like, to another community, geographically speaking. Having done that, may I ask the minister whether the North Atlantic Treaty Organization council has in mind the taking into membership any other countries than Greece and Turkey? If so, what are those countries? Also, if I may ask the minister this, what will be the policy which will guide the council in the admission of additional nations from time to time? Perhaps he would also indicate to us whether this is the beginning of a world-wide alliance with respect to the lines between the slave and the free world.

I also want to point out to you, Mr. Speaker, and to the house, that when the minister was speaking about the various economic and military ramifications of our commitments to the North Atlantic Treaty Organization, he did not get down to anything that looked to me like even a hint of a cold fact anywhere. It may be that he will say to me: Of course we are going to discuss all these things at Lisbon. What I say, Mr. Speaker, is that we should be discussing in Canada some of the things that we are going to do as well as discussing them at Rome, Lisbon or London. I do not think that any harm will come to this country's representations and its conference activities in other lines if we have a full and frank discussion on the floor of this

parliament as to what Canada's policy is going to be in connection with the North Atlantic Treaty Organization.

There are a number of vital questions which I think the minister ought to answer before this debate draws to a close, because the signing of international protocols and agreements is one thing, but following them up with decisive and effective action is another. I must say that I was disappointed —in fact I could go much further than that and say I was extremely disappointed, as I know many people were—to read in the newspapers of December 12 last that Canada was one of eight North Atlantic Treaty Organization members which seemed to have been weighed in the balance and found wanting so far as carrying out our commitments was concerned. I think that news, sufficiently widespread in its dissemination, must have been a very poor advertisement for Canada in other countries throughout the world. I believe the minister ought to clear up that point before we close this debate this afternoon. I, for one, did not like to see this country entering into obligations unless it was prepared to carry them out, both in the spirit and in the letter.

I believe there is nothing worse than a country that talks big and does not act as big as it talks. I am not suggesting we are in that position, but I do suggest we might perhaps get into that position if we were to follow along the lines suggested in the newspapers of that date. Immediately after that news came out, that we were asked to boost our contribution from 5 per cent to 10 per cent, if I recall correctly, there were a number of other nations who were in the same position. There were Norway, Denmark, and Italy, to name three that come to my mind. Those three nations did something at once to increase their contribution in order that the execution of their commitments might parallel the commitments themselves. I feel that at this time we ought to have an answer to that question from the minister.

In addition to that there are several questions of which I wish the minister would make a note, and so that we shall save the time of the house I shall not elaborate upon them. Our position would become quite clear if these questions were answered. One of them is, how many months is this organization behind schedule now? There has been a good deal of talk that NATO is behind schedule by something like a year in what it was originally set up to do. We ought to know if it is behind schedule, and if it is how far it is behind and what the chances are for picking up the slack. We ought to know if it is true that the arms output of some of the NATO members is down almost to a trickle because of a shortage of money, material and equipment. We ought to know what steps are being taken to prevent the possible break-down of NATO plans for defence, and what progress NATO is making in fitting in political and economic plans with the integrated military pattern. I should like to ask the minister if any beginning has been made with respect to the proposal I made in a speech earlier this session in connection with the setting up of a national development and production board for the purpose of trying to assess and appraise what we had in this country to back up our commitments to NATO and for our own national economic expansion. I should like to know whether or not further consideration has been given to that plan, because I have felt it is something that deserves consideration.

I should like also to ask the minister, in view of the fact that there have been reports of our commitments not having been met, to indicate whether or not that is correct. If it is correct to any extent, will he say what position the government is taking with respect to picking up that slack in the near future as well? I shall try to complete what I have to say before one o'clock, but I should like to ask the minister to comment upon an article—no doubt he has it in his files, too—with respect to the other than military aid which this country may be asked for at Lisbon, or perhaps has been asked to furnish. As the minister knows, there is a line of demarcation between the military and non-military aid. I believe it was the *Financial Post* that referred to the fact that we might be asked to send wheat and some other products to these countries. Will he state whether or not this kind of mutual aid, which apparently is being incorporated into the NATO structure itself, carries the judgment of the government and whether they intend to deal with it before the meeting at Lisbon? May I just ask the minister one more question? In any of the commitments which the government may be contemplating, what share of Canadian agricultural or industrial products is likely to be earmarked in such a program for the United Kingdom? Is this to form a part of the discussion between Prime Minister Churchill and the government in January of next year? I think we ought to have from the minister, if he can give it at this time, all the concrete proposals the government has in mind presenting to the Lisbon meeting in February designed to increase the tempo of the NATO plans.

I should like to close my remarks by saying that in the accession by protocol of Greece and Turkey I believe we are taking one more

step in that great and comprehensive plan for peace. There were those behind the iron curtain who said, when NATO was set up, that it meant war instead of peace. Subsequent events have not borne that out. In my opinion the North Atlantic Treaty Organization has had a stabilizing effect upon Europe and upon the peace of the world. It is for that reason that this party, this parliament and this government, anxious as we all are to preserve and promote the interests of peace in every shape and form, are prepared to take this further step, in the hope that we shall further promote the cause of peace and see that casualty lists on a global scale have been published for the last time and that the dogs of war shall never be unleashed again.

Mr. Coldwell: May I call it one o'clock?

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

TRIPARTITE FISHERIES CONFERENCE

TABLING OF RESOLUTIONS AND REQUEST OF FINAL SESSION

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I beg leave to lay on the table of the house resolutions and request of the final session of the tripartite fisheries conference held in Tokyo, Japan, December, 1951.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL FOR ACCESSION OF GREECE AND TURKEY

The house resumed consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of Greece and Turkey, signed by Canada at London on October 17, 1951, and that this house do approve the same.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, today we are discussing a very important matter, and I sometimes think that the house is not nearly as interested in international affairs as it might be. During the past few days we have had a fairly full house discussing a matter of great domestic importance and interest, and I noticed this morning that after the Secretary of State for External Affairs (Mr. Pearson) had spoken the house pretty well emptied, and when the hon. member for Peel (Mr. Graydon) began to speak shortly afterwards I made a count and there were only 22 members in the house. That I think is a great pity, because after all international affairs are very important not only to our own country but to the countries associated with us, and indeed to the world generally. Canada's position in regard to these matters is one I know that is watched very carefully by a number of other countries, and particularly perhaps by those who are sometimes described as—I do not know now accurately—the middle and smaller powers. However, today we are discussing a matter of some importance, as I have said, both to Canada and to the world, namely, the extension of the North Atlantic Treaty Organization to include both Greece and Turkey. This, it seems to me, extends the association to an extent which cannot properly be considered to be a part of the North Atlantic Treaty Organization. I understand the reasons why this has been done, and the necessity that the nations that have co-operated together in the North Atlantic Treaty Organization considered made it, as they have said, essential; but at the same time I think we should understand more clearly that what we are doing today is making an extension of this treaty beyond what many of us contemplated when the North Atlantic Treaty Organization was set up and when we gave it our support.

The Secretary of State for External Affairs this morning gave a very interesting review of the events that transpired at Rome, the discussions that took place there, as far as he was able to review them. May I say, Mr. Speaker, that the less secrecy we have in connection with these matters—at least as far as the members of the House of Commons are concerned—the better it is for all of us and for the world.

I was sorry this morning when the Secretary of State for External Affairs said that he did not think he should tell the house how Canada voted recently in connection with the appointment of one of the elected members to the security council. After all, these matters may involve us in difficulties, and indeed perchance in war, and the members of this House of Commons will be called upon to make a decision, so I think that we should be kept well informed of all that transpires and of all the attitudes of the government in relation to these matters, because I say to those of us who are in the house now, and to our successors, that should grave situations arise in the future, hon. members may be called upon to make decisions that may have far-reaching effects on the history of our own country, the welfare of our own people and of the world.

Mr. Macdonnell (Greenwood): It is not a trade secret.

Mr. Coldwell: No. Of course, as the hon. member for Greenwood says, it is not a trade secret, because after all the newspapers have told us that Canada voted one way and then voted another way. If that is not true, the minister might inform us as to what inaccuracies there are in these reports. In any event, newspapers seem to give us information that we should get from the government and from the minister. At least, then it would be authoritative, and we should not be misinformed in any particular.

This morning the minister also went into the matter of including in the North Atlantic alliance, or perhaps it would be more accurate to say, bringing into association with the members of the North Atlantic Treaty Organization, Germany, and the necessity perhaps of some German rearmament. I think that all of us are very anxious indeed that whatever is done shall not in any way establish again militarism in Germany. We have had two world wars, both of which were at least started militarily; and whatever the background of the first and second ones may be, whatever arguments there may have been about the beginnings of these hostilities, nonetheless the first hostile moves were made by Germany. I can quite understand why it is that France, Belgium and other countries in western Europe are fearful lest we once again promote German militarism and bring into being a German military staff. Consequently I think we should hesitate in approving plans for the integration of German forces into the European army, or in association with the North Atlantic Treaty Organization, until we know precisely what is to be done and how the objective is to be achieved.

We should pay attention to the internal situation in Germany itself, because after all the political situation in Germany is pretty fluid, and while Dr. Adenauer is now in charge of German policy and the government, an election may change the picture and we might have Dr. Kurt Schumacher in power, which does not seem at all unlikely, a man who has stood against communism and fascism all during his years, but who is not at all sold on the idea that there should be a German army until he is assured that if and when an aggression is committed, if war should follow, the defence will be made on the river Vistula or on the Niemen; in other words, in the east of Germany and not on the western side when Berlin and other parts of Germany would be subjected to new devastation. I think we have to watch that carefully.

Then, there is something to be said with regard to our own contribution, militarily. I must say that I regret this debate is being held today at a time when the hon. member for Nanaimo (Mr. Pearkes) is about to leave Europe for Canada. I wish he were here, because, if newspaper reports are correct, the views he expressed are very different indeed from the views which I understood the official opposition to express, and different, as I thought, from those I had heard General Pearkes himself express in the house from time to time.

I should like to place this newspaper article on record. The dispatch is dated December 22, from the Canadian Press bureau in Paris, and states:

> Major General G. R. Pearkes, V.C., Canadian delegate to the United Nations, said today the Canadian government policy of sending infantry troops to Europe is "unwarranted."

And the word is in quotation marks.

> The 63-year-old Victoria Cross winner who acts as military spokesman for the Progressive Conservatives in the Canadian House of Commons said in an interview he believes it would be better to send technicians instead of fighting men.
>
> Pearkes, who has travelled in various parts of western Europe for two months, said he found that Canada's 27th brigade is composed of fine Canadians and is well-housed and well-treated.
>
> "But I do not believe that the money which is being spent by Canadian taxpayers is getting anything like the return in defence assistance to the North Atlantic treaty organization that the Canadian people have a right to expect."
>
> Canada, by sending men, was exporting her most valuable asset. He implied they were being wasted by being sent to countries where manpower was the least of problems.
>
> "I feel that the Canadian government had not fully informed itself or the Canadian people as to actual conditions in Europe before sending the 27th brigade and committing Canada to a long-term policy which to my mind is unwarranted and extremely expensive."

That is a statement made by one for whom, I may say, I have always had and have today the very greatest respect. I know the record of the hon. member during the first war when he was awarded the Victoria Cross, and also during the second war when for a time he was in command of the forces which were subsequently engaged in the Dieppe raid. And, so far as information regarding his views on the raid is concerned, those are views he must be left to express himself. As I say, however, I have the greatest respect for the hon. member and his views on military matters.

I think there is something in what he has said. I am sure other people in this country share my view that while we have a North Atlantic treaty, in the light of the present world situation we have emphasized far too much the military contribution, and have overlooked the economic contribution to which we are committed by article II.

I noted the other day that in the British House of Commons, when the matter was

under discussion, Mr. Churchill made the astounding statement—astounding to many o us—when, in referring to Mr. Aneurin Bevan, he said that the hon. member was right, with wrong reasons, for the attitude he took prior to the election in regard to British re-armament.

It seems to me we have been too interested in promoting rearmament without realizing that we must reinforce anything we do in that field with sound economic aid to our allies. To a degree, the same applies to our own country. We know perfectly well that the inflation we are undergoing at the present time is due to the tremendous amount of money we are spending on armaments. We must beware lest in doing this we undermine not only our economy but the support of the people for the defence project to which we are committed.

I wish to say immediately that I am not suggesting for one moment that we do not need to be properly armed for the defence of western democracy. What I am saying is that we must beware, lest in supporting re-armament under NATO we overlook some other factors which are at least equally important.

Hence I say once again that I hope our government—and from what I have been able to read from time to time I think the Secretary of State for External Affairs (Mr. Pearson) has said this over and over again—realizes that we must do all we can to make article II of the treaty effective, and to give all the economic aid within our power.

I hope that what the minister says publicly to our people in Canada he drives home in confidential meetings that take place in Rome—or, in the next month, in Lisbon—and elsewhere. I am sure that if we are going to meet the threat of communism and totalitarianism all across the world, the final decision will not be made on the field of battle. I believe the fact that we are stronger today militarily has eased the tension. But that tension may be renewed at any time. The great thing we have always to remember is that totalitarian communism can be met only by removing the causes that give an opportunity for communism to grow and to make headway in the world.

The emphasis for a while on guns, tanks, planes, armies, navies and air forces may have been essential; but I do think we should look carefully into those other important factors that in the long run will mean either success or failure of world communist propaganda.

I have just been reading a most interesting book by Mr. Justice Douglas of the Supreme Court of the United States. This book, "Strange Lands and Friendly People", it is called, contains a most interesting story of his travels in the Near and Middle East during the last two summers. It is a most revealing story, and one which I think holds a great lesson for us at the present time.

It may be true that collective security may be strengthened through this protocol; but on the other hand we are undertaking obligations in that protocol—and obligations in a part of the world where, after all, an explosive situation does today exist. This I suggest can be seen from recent events in Egypt and elsewhere.

The extensions of the obligations, as the minister said, are of course territorial rather than military or political. But they are extensions in an area which, to say the least, is explosive. And of course this is quite a reversal of the pre-war policy when we had no commitments whatsoever and parliament was said to be able to decide on what should be done when a situation arose.

The probability is that while many of us were inclined to support that policy prior to the second world war, that aggression and war brought home to us the necessity of the freedom-loving nations standing together after the war in order to prevent aggression wherever it might occur or threaten again in the future. I believe that more and more we have to associate with progressive elements wherever we can find them and with progressive countries wherever they may be established.

I just want to say in passing in connection with the part of the world involved in this protocol, Turkey and Greece, that in them and in the area adjacent to these countries are many millions of people living in squalor, in poverty, in misery and in want, particularly those in the Arab world. That is what makes this whole area explosive and revolutionary. There is the determination on the part of many peasants and ordinary depressed peoples in these countries to throw off the yoke of what they have looked upon, whether rightly or wrongly, as their imperialist oppressors. They want to govern themselves and raise their own standards of living.

As I say, I think we should associate ourselves with any elements in those countries which are promoting democratic methods and better standards of life and give them all the support we can. There is one small country in this area which has demonstrated that great progress can be made by democratic and progressive methods. Of course a new state of Israel comes immediately to mind. Anyone who has followed what has been happening in Israel must be amazed at

the tremendous progress which has been made in that country and how it has become an example to the adjacent countries of Lebanon, Syria, Transjordan, Egypt and other eastern countries. If we are going to associate ourselves with any country in that area —I do not say that we can do this successfully at the present time because of Israel's internal conditions—we should endeavour to associate ourselves with the one democracy which has been established with our own parliamentary system, with Israel.

It is true that we perhaps alienated them, and I think that was done inadvisedly although it may be argued that it was necessary during the war to adopt the attitude that was adopted by the great powers. Nonetheless I say that every attempt should be made today to associate ourselves with Israel and to build up its strength economically and socially and in every other way so that we may have a real democratic friend in an area where heaven knows democracy needs a friend. In that area there are very few organizations that can be called democratic.

In that area, if we include India, there are at least a billion people living under conditions of squalor and misery. Eighty per cent of those people are peasants and one would think that peasants would have enough food. But having to deliver 40, 60 or 80 per cent of their produce to the land owners, in many areas they live in dire poverty. Unfortunately in the past we have been so largely associated with their oppressors. Now revolutionary movements are rising to end this age-old poverty, misery and want.

In my opinion it is in these areas, rather than in western Europe, that the fate of the world will be decided. Unfortunately the Soviet union, I think falsely, has managed to portray itself to the depressed peoples in Iran, Saudi Arabia, Iraq, Egypt, the Sudan and other countries in the East and Middle East as the nation which alone can bring them deliverance and prosperity. We know perfectly well that if the Soviet union were successful the peoples of those areas would simply be exchanging one group of reactionary rulers for another group of totalitarian dictators.

Consequently I say to the minister that in all these discussions that are taking place, whether in the United Nations or in the North Atlantic Treaty Organization, Canada should emphasize more and more the necessity for economic aid not only to countries with whom we are associated now but to those living under depressed conditions which may make them susceptible to communist propaganda.

While we accept this protocol, while we are aware of the dangers inherent in the extension of the North Atlantic treaty, while territorially we are enlarging our commitments, we realize that this is a most important matter for the parliament and the people of Canada. But again I say we are not going to win this world-wide struggle for the minds of men by considering almost exclusively the manufacture of armaments and the sending of military supplies overseas. More and more, victory will lie in the hands of the group which can offer to the depressed masses of the world wherever they exist—yes, even in our own country—the prospect of better standards of life and freedom of association, freedom of thought, freedom of religion and all those freedoms which they might otherwise exchange for the mirage of better economic conditions, which indeed they would be more apt to exchange for a totalitarian dictatorship, and which would only lead the world into greater catastrophies than it has ever known.

I do not want to prolong the discussion, but I did want to say what I have said. I wanted to emphasize the economic side of this matter as it concerns Greece, Turkey and the backward countries of the world. We should not be thinking almost exclusively in terms of armies overseas, in terms of sending overseas great quantities of guns and military supplies. After all, we in Canada perhaps can best use our resources, both human and material, by supplying the world with the means to improve standards of life wherever they can be improved and in that way assist most to win the battle for democracy and freedom.

Mr. Solon E. Low (Peace River): Mr. Speaker, this is a most important event, the approval of the protocol for the accession of Greece and Turkey into the North Atlantic Treaty Organization. Being a matter of so much importance it seems too bad that it had to come up so close to the end of the session. Otherwise I am quite sure that this chamber would have been filled with interested members. I am sure that if many hon. members are not here today to hear the minister and take part in this discussion it is not due to their lack of interest in such an important matter. I think it is due more to the fact that this is the tail-end of a session which has been interrupted by a Christmas holiday and many members are not able to be here. Otherwise I am quite certain that we would have had a most interesting debate by an interested membership of this house.

I am quite sure too that most members must realize the importance of the obligation

which Canada is taking upon herself now by approving this protocol. I assume that since there has been so great an approach to unanimity of opinion today it will be approved unanimously. I hope it will. I do not know of any debate in the history of my membership in the House of Commons in which hon. members have been so near unanimity of view. I find myself in thorough agreement with all that has been said today. I find no exception whatever, and I want the house to know that that is the way we feel.

I think that we fully realize the seriousness of the obligations that devolve upon Canadians as a consequence of extending the area of these obligations into a territory that is different in many respects, strategically, geographically, socially and in every other way from the North Atlantic area. We think we have weighed most carefully the risks involved in approving the accession of Greece and Turkey against the advantages. I must say that as far as I was able to weigh the risks and the advantages with the information I had at my disposal I had to cast my lot on the side of the advantages, and I want to say that we thoroughly approve of the protocol and hope that this afternoon or evening the house will give its unanimous approval to it.

All through history Greece and Turkey have demonstrated that they are lovers of liberty. There have been cases where they have had a chance to demonstrate that they are lovers of liberty, that they are determined to preserve their liberties and to help preserve liberty throughout the world. For many years both of them, with the exception of a few intervals, have been traditionally friends of the Anglo-American people. I think they are now friends of the Anglo-American people, and the fact that they have indicated their acceptance of the invitation to become full members of NATO indicates that they have a friendly feeling toward us. I imagine that at least one of them, Turkey, might have been influenced to some degree by the near alienation, if I may put it that way, of some of the good feeling that existed in the Arab world prior to about four years ago. I believe that in the main there is every indication that Turkey has not been too seriously influenced in that regard and that it has friendly feelings toward the western nations.

Both of these nations have demonstrated that they are prepared to do their part to carry out their responsibilities as members of the United Nations. I listened very attentively to what the hon. member for Peel (Mr. Graydon) had to say this morning. One thing struck me as very pertinent, and it is something upon which I have commented a good many times. There are too many nations that have accepted membership in the United Nations organization and are not prepared to measure up to the responsibilities that they have taken upon themselves. They have been long on talk and short on performance. I do not say that of Greece and Turkey. I think within the range of their competence and capacities they have discharged their responsibilities well.

When attending the United Nations assembly in 1947 and in 1950 I was struck by the seriousness with which the representatives of these countries took their duties, the way that they conducted themselves, and the attitude they had toward the obligations of membership in the United Nations. The very fact that they did not hesitate to do what they could in connection with the crisis in Korea, particularly Turkey, by sending assistance in the form of armed forces, indicates to the whole world that they do not take their membership in these international organizations lightly. Therefore I think we need have no fear about these two nations fulfilling their obligations if they become full members of the North Atlantic Treaty Organization.

I said we had weighed the risks against the advantages and found that the balance was in favour of the advantages. Let us not overlook that there are risks involved in bringing these nations into the North Atlantic Treaty Organization. I am quite sure that our Canadian people must come to realize this, and I hope we can help them to realize it. There is no question about the risks. These nations are situated in a geographical area that is very close to countries that may become aggressors in another direction. There is no questioning the fact that strategically these two countries are in most important key positions. For many years Mr. Churchill has tried to get the world to understand how important the Mediterranean area is strategically in any conflict that may arise. A lot of people in the world have not heeded what Mr. Churchill has tried to make us understand.

The very fact that Russia has always looked to the west for an outlet through the Dardanelles and the Bosphorus makes Turkey, which has been for some years the guardian of the entrance to the Black Sea, of strategic importance beyond anything that we can emphasize here. So too the fact

that Greece is situated very close to the iron curtain countries, and has indeed in the past five years had very serious relations with some of her neighbours either wholly or partially behind the iron curtain, makes of that country a very important and key strategic area. We know that the whole Mediterranean area is the area toward which any aggressor, such as may exist in eastern countries, would cast their longing eyes. It has been said time and time again, and I think with perfect accuracy, that whoever controls the entrance to the Suez canal controls the most important strategic position in the world. We know that if Russia ever felt she could overcome the forces of the west one of the first moves she would make would be toward the Mediterranean area in the direction of the Suez canal country.

We must realize therefore that one of the risks involved in bringing Turkey and Greece into NATO is that any event in that area would bring us into a war. Indeed I think hon. members should recall that Russia has already made threats against Turkey. That in itself emphasizes the risk we are taking, but I think if the minister had a chance to speak his full mind today he would agree that perhaps we can overestimate the importance of that threat. Nevertheless it is a threat, and it is something we have to keep in our minds as we measure the responsibilities we are taking by approving this protocol. The speakers who have preceded me have emphasized the fact that we are going into an entirely new area. We do not know fully, I suppose, at this time, exactly what that may mean, but it certainly extends our obligations. Though we may say that the accession of Greece and Turkey will strengthen security everywhere, let us not overlook the fact that it takes us into some territories that we are not quite familiar with in many respects and might possibly engage us in conflict sooner than we might otherwise be engaged.

I thoroughly agree with those who say that the Canadian people should know the fullest possible measure of the obligations that they take upon themselves when they become parties to any treaty, this one included. The minister therefore should make clear to the Canadian people the full implications, as far as he knows them, of the accession of Greece and Turkey into NATO. Let me hasten to say this, however. I am not blaming the minister for not taking more time this morning. He realizes, as we all do, that the session is nearly at an end and that perhaps this is not the occasion on which he could launch into a full-scale exposition of world affairs. But I for one should like to have been able to sit down with the minister in a committee where I could ask him questions. I have in mind a thousand questions, about things that I am sure we should all like to know about, that I should like to get answered. I am sure that the members of the other place greatly enjoyed the splendid exposition he gave to them a few days back. I just saw snatches of the reports in the papers; but it would be something like that, it seems to me, that would be useful to us at this time. We should understand the full implications of all that we are doing. The Canadian people are entitled to know. How in the world can we expect them to join wholeheartedly in any international co-operative effort if they do not know what is going to be involved? I therefore cannot emphasize too strongly the importance of what my hon. friends who preceded me have both said, namely, that there should be no secrecy whatever, that the Canadian people should be taken into the full confidence of the minister and of the government, and that they should know exactly what is involved in this whole matter.

Along with the hon. member for Rosetown-Biggar (Mr. Coldwell) I should like to say this. We should be careful to realize this. In his speech this morning the minister quoted Mr. Sulzberger, the editor of the New York *Times,* in a statement to the effect that we are now engaged in a long, difficult and expensive project that would carry us into many years ahead; and the price of liberty, he said, is high. Realizing that, as we must, I think we ought to be careful to adopt within our own country and within NATO itself economic policies which will cushion just as far as possible the dislocating impact of the effort at rearmament, or perhaps I had better say the impact of defensive military preparation. I do not like to look upon the North Atlantic Treaty Organization in any respect as a war-making organization. It is indeed an international co-operative effort which I, along with the hon. member for Rosetown-Biggar, hope is not going to be confined to military preparations. We ought to be doing a whole lot more than that, I admit. But let us make certain that as we proceed in this international effort at co-operation we do not take steps that will destroy our economic position as a nation. We could easily do that, when we realize that this is going to be a long, costly and difficult period ahead of us.

I am keenly interested in the questions that were asked by the hon. member for Peel (Mr. Graydon). I only wish we had time to go into committee and to ask the Secretary of State for External Affairs (Mr. Pearson) a

good many more questions. I certainly will listen with keen ears to the answers which he is prepared to give to the questions of the hon. member for Peel.

I do not see any use at this moment in extending my remarks. As I say, I have given the best thought of which I am capable to the full implications of what we are doing today; and I, speaking now for our Social Credit group here, say that we are favouring the approval by this parliament of the protocol, and that we would urge the minister to make available to the Canadian people—at different times as he goes along and as it becomes possible—all of the information that will enable them to judge of the full implications of the moves we are making, and to make clear to them what obligations they are taking upon themselves.

In conclusion, may I say this. In each step we take in extending the North Atlantic Treaty Organization, either in area or in more intensive policies, let us make sure—as sure as we possibly can be—that it is designed to increase the security of the free nations of the world and to make it possible for us to avoid war, if we can; but if we cannot avoid war, then to make certain that we are strong enough to repel any aggressor that might have an inclination to attack us.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I listened with great interest to what the minister has said and also to the excellent speeches made by the hon. member for Peel (Mr. Graydon), the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Peace River (Mr. Low), but I am not going to follow their lead. I am going to ask some questions of the minister and he may answer me later on.

In the first place he said that the Rome meeting was the eighth of the NATO council and that the work of the temporary council committee appointed by the council at its Ottawa meeting was examined, though in no official sense, because that work was not completed. He did not tell us what that work was. We may know what it was by a dispatch of the Associated Press which was published in the papers of the 27th of this month. I will translate that dispatch in a moment.

He added that the committee had the responsibility to match the requirements for defence and the resources of the separate members of the council which could be devoted to that defence, having regard to their political and economic capabilities. This is enormous. It is a decision of far-reaching importance to Canada as well as to the other countries represented on the council. He said in a rather jocular vein that it is a "burden-sharing exercise". The burden may be heavy, and we are interested in knowing what it is. I hope the minister will be more explicit in that regard. Then he added that the executive committee of this committee of twelve, also popularly known as the "three wise men", have made a report to the committee of twelve which will give final consideration to it in Paris on January 15. There are a lot of committees, and one reason why I was in favour of NATO was that all the nations were on the same footing apparently, while they were not in the United Nations Organization because the security council was deciding matters pertaining to all. But in this case I thought that all the countries of NATO were on the same footing. Now there is a committee of "three wise men" who report to the committee of twelve which is not the whole Atlantic council. It is quite embarrassing. One leads to the other. Perhaps it is a good thing not to make decisions right away. Perhaps it is good to temporize as did Fabius Cunctator; he used to temporize, to adjourn things until later on. Perhaps it is a wise move. I am not ready to say that it is wrong.

Mr. Macdonnell (Greenwood): He has had a lot of imitators.

Mr. Pouliot: Yes, but they are dead.

Mr. Brooks: Not all of them.

Mr. Pouliot: There may be some at these international organizations, but I do not happen to know them.

The report will be referred to the NATO council in Lisbon in February, and the minister added it is not desirable to say anything more about it because it has not been finally submitted to the government. Then he spoke of western Germany being included in the European defence force, and stated that important and far-reaching decisions regarding the defence of Europe would be taken at Lisbon. He spoke of peace with western Germany, which must be an easy thing because we have exchanged ambassadors with western Germany. The representative of Canada in Germany had his status raised from a minister to an ambassador, and we have a German gentleman here as ambassador of that country. The minister said that at Rome they also discussed the question of the reorganization of the North Atlantic Treaty Organization which is becoming, in a sense, rather unwieldy. He referred to the streamlining of the whole organization.

We had the League of Nations, and it is dead. We had the United Nations, and you

know it did not work. We had NATO, and NATO is to be streamlined into a new organization. Where it will all finish, I do not know. Sometimes I complained about the way things were handled at these gatherings and everyone thought that I was not orthodox, that I was speaking about things of which I had no knowledge. Events proved that I was right, because nothing was good enough. There is a perpetual change in that kind of business. Then there was the interim report from the committee of five on non-military co-operation, and that will be discussed at Lisbon. The minister did not tell the house what the vote of Canada was in the contest between Greece and Byelorussia for election to the United Nations security council. The minister should have no secrets from the house. If he does not want to make the matter public, he could easily have the galleries cleared. It is not a complicated affair because there is a rule of the house to that effect.

Then the minister said that big questions were not decided in Rome. It was an interim meeting. The member for Peel (Mr. Graydon) said that they cannot all be interim meetings. I say that perhaps it is a good thing to have only interim meetings so that matters may come to shape in the right way. We should know what is going on, and again if it is of importance that the information should not be given to the public at large, the minister could inform the house in camera. There was another thing in the minister's statement that struck me, and I have just a few facts to mention. The overlapping membership and possible military planning in building up a separate Middle East or Mediterranean pact would invoke problems of inclusion and exclusion which would not be settled easily. These matters are always settled easily when good will is shown. At the present time we have signed a protocol for the admission of Turkey and Greece to NATO. Turkey is a great country and the people are wonderful diplomats. So far they have been doing very well, and they are honest people. The Greeks are courageous and would be an asset to us.

In my humble opinion, if we are to have an Atlantic pact, the more members we have the better. If we are to include Turkey and Greece amongst the Atlantic pact nations, why not stop and take Spain on the way? What is the objection to Spain? It would be easy to have them with us, and they would be an asset. Some people are afraid to talk about Spain. Spain would be a loyal ally. There is no reason for not having Spain. We go as far away as Greece and Turkey, and the more nations we have the better. I am in favour of it. It extends the area of our responsibility, but the thing deserves consideration. Moreover, Greece and Turkey were invited to become full members of the North Atlantic council, and I am sure that if the invitations were extended to Spain she would accept at once. Not so long ago President Truman changed his mind about Spain and gave her a large amount of money to have improved conditions in that country. If Tito is good enough for us, Franco would not be any worse.

Then, the protocol does not extend the nature of our obligations under the North Atlantic treaty, but it does extend the area of our obligations. It cannot extend the nature, because the nature is specified in the treaty, as the hon. gentleman knows very well. The area is extended, but it means that two other countries will be joined with us in that pact. The minister added it is more theoretical than real, but an aggression on those countries would mean world war III. This is well understood. On the other hand, the more powerful the organization is the less danger of war. It is for that reason I am pleased to see Turkey and Greece become members of NATO. I hope that Portugal will follow, then Spain, Italy and the other countries. How is it we have NATO meeting in Rome? Rome is willing to come into the North Atlantic council and there would be no Russian veto, but the veto would come from England and France, especially against Spain. This is a time when we should be careful.

In conclusion, Mr. Speaker, I want to refer again to what Mr. Eden said during his tour of the United States. It was published in an Associated Press dispatch dated Chicago, August 20. It stated that Mr. Eden found the Atlantic pact was inadequate to protect the western world against the communist menace. Then, he suggested a larger and more general organization which would take into account the demands of each front, would make a survey of the resources, and would seek to allocate them according to the needs. It would be a supergovernment. He said that he did not think NATO was adequate from that point of view. And then he added: "During the war", declared Eden, "several of us were hoping that the United Nations would serve as a practical example as well as a precept toward unity." That is Wendell Willkie's key, one world, one government, one supergovernment. What the minister did not mention in his statement was put in a dispatch of the Associated Press of December 27. I have not the English text, but I will translate it as well as I can. It is a matter of supreme importance to all

Canadians as well as to the other members of the North Atlantic Treaty Organization. It is the three big ones who want to control the whole organization. If we have no peace it is because of the setting up of the United Nations by the big ones, by Stettinius, a banker, who thought that the world could be organized like the management of a bank. I will not comment on that; I will just refer to it. The dispatch reads:

London, Associated Press.

It is announced that the three great powers have presently plans to form a super international government, the mission of which would be to direct the affairs of the North Atlantic treaty organization. We foresee that Prime Minister Churchill will discuss with President Truman early in January certain suggestions to enlarge the purpose of that organism, composed of twelve nations. Some of the modifications studied in the United States are to the effect that France and Great Britain would transform the council of acting ministers of foreign affairs into a permanent council of ministers, whose task would be to study fully the economic, military and production problems amongst the allied nations.

We are told also that all the agencies of NATO, actually dispersed in the three capitals, would be put under one roof in Paris, close to the general headquarters of General Eisenhower. We would also name a secretary-general whose powers, prestige and role would be equal to that of Eisenhower. The extra governmental cabinet as proposed will not have supernational powers, but it could act on its own when the situation calls for prompt decisions. Each country of the alliance will keep its right of veto. Naturally, all the questions are still something of a project.

In the first place, the three great powers will have to come to an agreement among themselves on the work to be done. Then they will have to sell their ideas to the other nine nations of the Atlantic pact.

It will take some time to make a decision, and that is why it may be a good thing that no decision has been reached yet on such important problems. The article goes on, and I will cut it short:

The changes foreseen would make of NATO the central responsible authority for the solution of the great economic, political and military problems of the western world.

Well, Mr. Speaker, it is not without a great deal of apprehension that I have read it. I am satisfied to support this government, and I appreciate its collective wisdom, and the Secretary of State for External Affairs (Mr. Pearson) is included in that. I understand his difficulties. But I do not want this parliament to become a rubber stamp of any supergovernment, of any world government such as that foreseen by Wendell Willkie, Eden, Churchill and others; and I hope that when Mr. Churchill comes to Ottawa he will be well received, but that nobody will forget that he is the leader of the Tory party of Great Britain.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): May I move the adjournment of the debate until later this day? I have consulted the leaders of the opposition parties and they have agreed. I would ask now that we proceed with item No 6 on the order paper.

Motion agreed to and debate adjourned.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to exclude certain areas of land from the provisions of section one of chapter forty-seven of the statutes of 1950 and thus render such areas eligible for assistance.

He said: Mr. Speaker, when notice was given of the resolution some days ago I departed from the usual practice, with the consent of the house, and gave an explanation of what was intended to be done under the measure which we proposed to introduce. I did that, expecting that the house might have ended at an earlier date, and that it might have been necessary to proceed with this resolution in a number of stages at one sitting of the house. The situation has not changed in that regard. We are now hoping that we are in the last sitting of the house, and this is still in the resolution stage, so that if we are going to enact the legislation it would be necessary to put it through about three different stages this afternoon in a rather short period of time. I am sure that hon. members will expect some explanation as to why it is important to do that at this late stage in this session.

As hon. members know, we have on the statute books the Prairie Farm Assistance Act. This act makes it possible for payments to be made in townships where there are eight bushels or less to the acre of a yield in any particular year. That, generally, is the principle underlying the act. There are other details that I need not go into at this time.

Then, in 1950 we amended the act to say that lands, which had been dealt with by a governing body, whether it be a provincial government, the federal government or even a municipality, lands that were held by these governments still, as of the 31st December, 1940, were not to be considered eligible for payment under the Prairie Farm Assistance Act. The intent of that at the time was to

exclude lands which it had been possible for persons to homestead over a very considerable term of years, or possible for them to secure by purchase or otherwise over a considerable term of years. It was thought that if it had been possible, from some time back in the 1870's or 1880's down to 1940, to secure these lands, and no one had seen fit to take these lands over, then it was quite natural to suppose that they were submarginal lands and not fit for cultivation in the ordinary sense. For that reason, if they were put back in cultivation as a result of action on the part of local governments or even by this government, they should be put back on terms which would not make necessary the payment of prairie farm assistance. That, in general terms, is the provision of the amendment of 1950.

When that matter was before the committee on agriculture it was pointed out by members from the northern parts of the three prairie provinces, and particularly members from the northern sections of Alberta and Saskatchewan—and I should enlarge upon that by saying that the area extends from Saskatchewan over into Manitoba—that there were areas along the northern part which had not been put up for homesteading, had not been available to the public over a period of years, but had been brought under the homesteading provisions or in some other way made available to settlers since 1940. It was said that under the act those lands would be subject to payment of the one per cent on any grain delivered, and because of that they should be made eligible if, as time went along, it was indicated that they were entitled to payments.

As the minister in charge I conducted the bill through the committee. I stated at the time that the government admitted the justice of that claim, but we found it difficult to draw a line without first having some experience. For that reason I suggested that the legislation go through in the terms in which it was submitted to the committee, and afterward to the house; and I gave an undertaking in committee, which I read to the house when the resolution was introduced on November 14. I shall read it again, in order that it may be clearly before hon. members at this time. I said to the committee:

> I can give more assurance to my hon. friends.

By that I meant more assurance that day than I could the day before.

> Since we met this morning and before the meeting this afternoon, we had a meeting of council and I discussed this matter with council, and they agreed with what I suggested.

And then in a few words I repeat the suggestion.

> They think it should be retroactive in order to make the check that we want to make; and they are also committed to the undertaking I have given to the committee that if we find it is creating hardships which should not be created under the spirit of the act, we shall have amending legislation next year.

That undertaking was given to the committee at the time; and we have had two years' experience since that under the amendment. I just wish to give the committee the result of that experience, in order to show that it is very definitely indicated now that there is an area about which we should legislate.

In 1950, the year the legislation was passed, as a result of the operations of that year it was found that in the Alberta-Peace river bloc, which extends over into British Columbia, there were 1,628 quarter sections that were excluded because of the amendment we made in 1950, where payments otherwise would have been made. In that same area in 1951 there were 3,689 quarter sections. Of those 1,600 may be the same that were excluded in 1950; but it means that there were some 1,600 the first year and 3,689 the second year. In the Edmonton area, part of which is north of township 60—and practically all these quarter sections noted are north of township 60, even in the Edmonton area—in 1950 there were 392 and in 1951 there were 1,954 quarter sections.

Just to indicate the difference as between those areas and the areas with regard to which we were legislating and about which we were attempting to do something, in the Calgary area in the southern part of Alberta in 1950 there were only 87 quarter sections excluded, and in 1951 there were only 112. That plainly indicates that the area north is in a different class and should be treated differently in this regard. In other words, payments should be available to a very considerable number of those people. In order to indicate the Saskatchewan position, where the greater part of the lands are located, in 1950 the number of quarter sections that would be excluded by this section was 56, while in 1951 it was 978. That is, the figure is considerably higher in 1951 than it was in 1950. But when one looks at the map there is not an accumulation of these quarter sections in any one particular section, even in the north, where you could attribute it to the same reasons that can be given for the northern part of Alberta and the Peace river section of British Columbia.

So what we are suggesting is that one group of farmers in the northern part of Alberta have already been required to wait a whole year for their payments. The payments to the 1,628 quarter sections in 1950 would have been due in December of 1950, so they have not had their payments for a year. The payment of these other quarter sections will be due in December of this year, 1951. If the legislation were not passed at this session, but were carried over into the next session, they would be denied their payments for that length of time. The suggestion therefore in the legislation is that in British Columbia and Alberta we withdraw the effect of the amendment of 1950 and make payments possible to these farmers who live north of township 60. That is township 60, and north from there, we find from checking the map carefully, does take care of these persons who are concerned.

When I explained this at the resolution stage the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Melfort (Mr. Wright) raised the question of possible discrimination. As I explained at that time, I had included in it the provinces of Saskatchewan and Manitoba. But on further discussion of the matter it was agreed that we could not settle Saskatchewan and Manitoba at present because as these figures I have quoted would indicate there is no development of any district, in Saskatchewan or Manitoba, at the moment that can be dealt with in the same way we are proposing to deal with in Alberta and British Columbia. What I do wish to state, however, is that the decision given to the committee in 1950 still applies in so far as Saskatchewan and Manitoba are concerned. The position we took then was that until an area developed where payment ought to be made, it was most difficult to draw lines, and we should allow that to develop before drawing any lines.

What I wish to say now is that exactly the same position continues to exist in connection with Saskatchewan and Manitoba as is being dealt with in Alberta and British Columbia, with all the facts before us in connection with the matter. In other words, if our experience in administering the act indicates that a district develops in Saskatchewan or Manitoba which has the same rights as now exist in these areas in Alberta and British Columbia, it will be dealt with in the same way. That is to say, the passing of this legislation at this time will not lessen the claims of those in Saskatchewan or Manitoba, and therefore it is not discriminatory in any way. It strengthens their position. The fact that we had already dealt with it in Alberta and British Columbia on that basis should make it eminently clear that if a similar situation develops in the future in other provinces it will be dealt with in the same manner.

My main objective in suggesting that this be put through at this session is what I mentioned at the beginning, namely, that from our examination of the circumstances surrounding all these lands it is evident farmers there are entitled to payment. We suggest that if the legislation were not put through this session making that payment possible there would be considerably more delay in getting the money forward to these farmers. We therefore suggest that the legislation be put through the several stages and sent over to the Senate so that it can be passed by them and assented to today.

Mr. P. E. Wright (Melfort): Mr. Speaker, we on this side of the house are agreed that this legislation should be put forward at this session. I intend to reserve any further remarks I have to make until the bill is before us, which I understand will be in a few minutes.

Mr. Gardiner: I intended to read the one pertinent line so that every member would have it in his mind. There are printed copies of the bill available but probably they have not been distributed. The only exception is in this part:

(vi) lands lying north of township sixty in each of the provinces of Alberta and British Columbia.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to take one minute to thank the Minister of Agriculture (Mr. Gardiner) for bringing forward this bill at this session and to tell him that we deeply appreciate the fact that he has kept the promise he made in 1950 when an amendment was made to the Prairie Farm Assistance Act. We want him to know that there are quite a large number of people in northern Alberta and British Columbia, in the Peace river bloc, whose faith will be revived as a result of this legislation. We want it known too that we who represent northern Alberta's constituencies will certainly support amendments to the act if areas in Saskatchewan and Manitoba should at some future time develop the same kind of situation that we have had in the Peace river country in the past few years. We do not want there to be discriminatory legislation at any time.

Resolution reported, read the second time and concurred in.

Mr. Gardiner thereupon moved for leave to introduce Bill No. 46, to amend the Prairie Farm Assistance Act, 1939.

Motion agreed to and bill read the first time.

Mr. Gardiner: By leave, I should like to move the second reading.

Mr. P. E. Wright (Melfort): Mr. Speaker, at this point I should like to say a few words with regard to the present bill and its implications so far as we in the northern part of Saskatchewan are concerned. The Prairie Farm Assistance Act was passed in 1939 to take care of a serious situation which had developed in western Canada during the 1930's. Since that time I believe some six amendments have been made to the act as the government found it necessary to make it more operative and more easily administered.

Up until 1950 the amendments were mostly to extend the act and make it more operative. In 1950 an amendment was passed, which we are now amending, with regard to a certain area in the northern parts of Alberta and British Columbia. That particular amendment was restrictive in its application. In other words, it took out of payment certain lands which were described as having been the property of the crown in 1940 and which had been placed in cultivation after that date, either through sale, lease or by other methods. As a result a number of people were brought under the act and have been under the act since 1940 but they found themselves in a position where they could not receive any benefits.

There was a certain amount of logic in the amendment as it applied to certain areas in Alberta and Saskatchewan which lay within the old Palliser triangle. By the way, those lands should never have been placed under cultivation. However, during the first war we and our allies were greatly in need of wheat and this land was brought into cultivation.

The Prairie Farm Rehabilitation Act was passed, I believe in 1935, and an attempt was made to withdraw certain of these lands. In our opinion the 1950 amendment to the Prairie Farm Assistance Act was not only restrictive, it was discriminatory. Those of us from Saskatchewan felt that it was a slap at the administration of the land policy of the provincial governments concerned. It indicated that the Department of Agriculture felt that the provincial administrations had not been doing a good job. Therefore, there were certain of us who resented it.

We believed that the provincial governments in Alberta and Saskatchewan were endeavouring to develop land utilization policies which would be for the benefit, not only of the provinces but of the dominion as a whole. The original amendment as brought in was much more restrictive than would appear from the act. When it was placed before the agricultural committee the minister made certain amendments to exempt several areas in the provinces.

If the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act are to be operated sucessfully, it can only be done with the co-operation of the provincial governments. The sooner we understand that and the sooner those in Ottawa recognize the necessity for co-operation the more efficient and beneficial the operation of these acts will be in Saskatchewan, Alberta and Manitoba. The position we took at that time is now proved to be correct, because the minister is introducing an amendment which in effect exempts all lands north of township 60 in the provinces of Alberta and British Columbia from the operation of the amendment passed in 1950. To be fair, so far as the province of Manitoba is concerned lands north of township 30 should be exempted. In the province of Saskatchewan lands north of township 40 as far west as the third meridian and lands north of township 50 from the third meridian to the Alberta border should be exempted. They would be the same type of land as is affected by this amendment concerning the provinces of Alberta and British Columbia.

The minister has undertaken that if there should be an area in the northern part of Saskatchewan, and I presume in Manitoba too, which is affected later in the same way as the area in the northern part of Alberta, further amendments will be made to the act so that payments can be made in those areas to those who may be affected. He has placed certain figures on the record with respect to the number of parcels of land affected. In Alberta in 1950 there were 1,628 quarter sections and in 1951, 3,689 quarter sections. He has indicated that in the province of Saskatchewan in 1950 there were only 56 quarter sections affected and 978 in 1951. I do not know whether he has any information to indicate whether the 978 quarter sections in the province of Saskatchewan are in the northern or southern part of the province. We are prepared to allow the bill to go through without too much debate and without moving an amendment on the understanding already given by the minister that if a similar area should be affected in the province of Saskatchewan at a later date an amendment will be introduced to provide for payments in that area.

I should like the assurance of the minister that it will not be necessary for the same number of parcels of land to be affected before

such an amendment will be brought in. This year, when we are making this amendment, there are 3,689 quarter sections of land affected in the province of Alberta. It might well be that only 1,000 quarter sections would be affected in a similar area in the province of Saskatchewan in another year, and if there were 1,000 or even a smaller number I do not see why they should not receive payment under the act provided they otherwise qualify. I hope the minister will give us some assurance that this is his intention, and that he is not going to wait until there are three of four thousand parcels of land barred from payment under the act before he makes a similar amendment applicable to the province of Saskatchewan. With that assurance we are prepared to allow the bill to go through without moving an amendment, although we had intended to introduce one which would bring similar areas in the province of Saskatchewan in line for payment under the act.

Mr. Gardiner: I thought I gave that assurance when I was speaking, but in case I did not I give it now.

Mr. Robert Fair (Battle River): Mr. Speaker, I have no intention whatever of holding up this legislation. In fact I am wholly in favour of it, and if and when similar circumstances arise in Saskatchewan or Manitoba, or both, then if I am here, and I hope to be, I shall be equally glad to support the claims of the other provinces. At the resolution stage the Minister of Agriculture (Mr. Gardiner) in describing the area affected stated that it was township 60 and all that portion north thereof, but the bill reads, "lands lying north of township 60". When we get into committee I should like the minister to introduce an amendment inserting the words "and including" after the word "of" in the ninth line of the bill. Perhaps the minister has not noticed that but in its present form it excludes township 60 which is not the intention of the minister.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*No award.*

Mr. Low: Would the minister care to comment on the point raised by the hon. member for Battle River? I think it was the intention, as we understood his statement at the resolution stage, that the bill would be amended to include township 60 and those lands north. Perhaps the minister would comment on that now.

Mr. Gardiner: Yes, I must admit it was the intention to take in township 60 which would make it necessary to have the section read, "lands lying north of the south boundary of township 60".

The Chairman: Shall the clause carry?

Mr. Coldwell: It has to be amended.

Mr. Gardiner: If you will put it through with the amendment—

Mr. Coldwell: You have to move an amendment.

Mr. Fournier (Hull): I move:

That clause 1 of Bill 46 be amended by adding to clause 1 in line 9 after the words "lands lying north of" the words "the south boundary of."

Amendment agreed to.

Mr. Herridge: I am all in favour of this type of legislation. I understand it has been of great benefit to many grain farmers on the prairies, but I should like to ask the minister a question. On what guiding principle does the government base its decision to assist grain growers who lack a crop and ignore the rest of the farmers of Canada who possibly do not have crops? For instance, there are the fruit growers, beet growers, tobacco growers and dairymen. Will the minister explain the guiding principle upon which the legislation is based?

Mr. Gardiner: I did when I introduced it, and got the consent of the house on the condition that I was not to go into that; but in a few words the reason for the legislation as it now exists has to do with the drought that extended over seven years in the prairie provinces.

Mr. Low: On a contributory basis.

Mr. Knight: Would the minister give us roughly the location of the 978 quarter sections in Saskatchewan?

Mr. Gardiner: I would have to go over the whole map. They are spread over the map in small groups.

Mr. Knight: That is the point I wanted to know about.

Mr. Gardiner: They are small groups spread all over the province extending from the United States boundary line northward.

Mr. Herridge: I understand the desire to get the legislation passed at the present time. Could we have the assurance of the minister that he will deal with my question next session during discussion of the agriculture estimates?

Mr. Gardiner: I am quite sure that I shall have to.

Section as amended agreed to.

Section 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

PUBLIC WORKS ACT

TENDER BY PUBLIC ADVERTISEMENT FOR EXECUTION OF WORK

The house resumed, from Saturday, December 15, consideration of the motion of Mr. Fournier (Hull) for the second reading of Bill No. 26, to amend the Public Works Act.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, when this matter was before the house previously, I adjourned the debate. I have some reason to understand that perhaps the minister wishes to make a statement now.

Mr. Fournier (Hull): I will close the debate on second reading.

Mr. Macdonnell (Greenwood): Just a minute. I want to know, Mr. Speaker, whether I shall be allowed to continue, because my understanding and hope was that the minister would make such statement as he wanted to make now, not a speech, that I might then finish my speech, and then the minister would close the debate. Is that the position, Mr. Speaker?

Mr. Drew: May I suggest, Mr. Speaker, that with the consent of the house the minister indicate the wording of the amendment he will later move; because if, as there is reason to believe, the amendment is in accordance with the view that has been expressed by the official opposition, it would preclude unnecessary debate.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I am ready to agree to that procedure. I had a lengthy speech prepared on this matter, but I think, at this late hour, I will not take long. If I had time I would spend most of it in thanking the hon. gentlemen who participated in this debate for all the kind words they said to me. If I took them as a mirror, I would not recognize myself. At all events I was impressed by the arguments that were made by the members who spoke on this question. I still believe in the tender system, and I reaffirm that belief. Only after listening to all those kind speeches did I find that there were dangers in the amendment I was proposing. If their interpretation of this amendment had reached the officials of my department and they thought they were being made all-powerful to deal with public works, without any restraint, I certainly would oppose that position. Even if the contractors themselves thought that with this amendment they could come to my office and say, "Now you can do this, why do you not give me this contract? I can do it as well as the other party", I still would be in a bad position. Even members on this side of the house seem to have that opinion also.

I took a lot of time meditating and cogitating on what was said, and I thought I should cancel the proposed amendment and substitute for it another one. Just to show how this thing works, may I say that while we were discussing this matter the Canadian Construction Association, which is the body most interested in this section of the Public Works Act, sent to my office proposals for amendments. Just to show the house what they think, here are the proposed amendments they suggested. As to paragraph (a) of section 36, they would keep that pressing emergency clause as it was. As to paragraph (b) they say:

> (b) of work having a value not in excess of $25,000 and which, from its nature, can be more expeditiously and economically executed by the employees of the department.

And as to (c):

> (c) where the estimated cost of the work is less than $25,000 and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.
>
> (d) in work of "secret category".

That is without any limit.

> (e) of work of conversion or alteration nature, and the minister is satisfied that a call for tenders by public tender is impracticable and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

Even reading that I thought I would have exorbitant powers, and I thought I should have an amendment based on what was suggested in the house. I will read the amendment that I will ask my colleague the Minister of Agriculture (Mr. Gardiner) to move when we get into committee. It reads as follows:

> (c) where the estimated cost of the work is less than fifteen thousand dollars, and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

That is a change from $5,000 to $15,000, Even a member of the opposition suggested that I might fix an amount which could go up to $20,000. I am being more reasonable even than certain members of the opposition. I am asking for less power than they were ready to give to me. I do not see that there can be any serious objection to this amendment, and I hope that the Senate will consider it in the way we will in the house.

Mr. Macdonnell (Greenwood): Mr. Speaker, how true were the remarks of the leader of the opposition (Mr. Drew) this morning when he said that the minister had a gift for making, I was going to say an unsatisfactory explanation—but why should I call anything about this unsatisfactory?—in a satisfactory manner. I am sure the minister will understand that it is only the strongest sense of duty on my part which makes me feel that, notwithstanding the Christmas season and notwithstanding the regard we have for the minister, it is absolutely essential that the record should make completely clear what has happened.

Mr. Fournier (Hull): That will be for future reference.

Mr. Macdonnell (Greenwood): For future reference we may hope, yes. I am sure the minister will not disagree with me that it is, let us say, an absolutely unprecedented explanation of an amendment. If we assess it properly it is really, as I think the Germans call it, colossal. What I mean by that is that it is something super. The real reason for changing, according to the minister, is that there is a danger that our arguments made two weeks ago, while not necessarily in themselves right, nevertheless might persuade the members of his staff who thereby might get an exaggerated idea of their power, and as a result, adherence to the principle of tender which the minister was at pains to support two weeks ago might in fact not be maintained.

As I say, I think it is only fair, in the interests of the record and in the interests of the opposition, that we try to set out—and I will do so briefly—exactly what was proposed; in other words, that we take stock of this situation. While the minister has dealt with it in an extremely delicate manner, the fact is—and I am sure it was not the minister who wanted it; I am sure it was one of his wicked partners—that there was a try-on here to get something through which really was quite basically in contradiction with our whole method of doing business. I want to make that very clear. I can do it by briefly reading the section as it was, and then reading the amendment which was proposed. In the section as it appeared, first of all subsection (a) says that tenders may not be needed in cases of pressing emergency, and that is carried into the new section, almost word for word. Subsection (b) reads:

(b) in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department; or

And that is carried into the new section. Subsection (c), as the minister has read, says:

(c) where the estimated cost of the work is less than five thousand dollars and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

The minister's discretion is strictly limited to $5,000. I want to read subsection (c) as it stands in the proposed amendment, that is the one which is now amended. It reads:

(c) the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable and that the public interest can best be served by entering into a contract for the execution thereof without inviting such tenders.

It is clear, Mr. Speaker, that there is no limitation of any kind. It is not only the Minister of Public Works (Mr. Fournier), but the rank and file of the ministers, just the ordinary ministers, who can come along and do the same thing. I believe any of the ministers could let tenders in this way without limit, except that they have to satisfy their own minds and we know how easy that is.

From the outset we said we regarded this bill as vicious. If I may quote a very great authority, namely myself, I said it was like throwing down the drain the practice of generations. Really one could hardly see anything further that could be done, unless one day the government turned up to say that parliament would only meet once every five years. After all, the C.B.C. gets a five-year lease on life, so why should they not call us back only once every five years? It is hard to see how much further they could have gone in setting aside the proper position of parliament and in arrogating more power to the executive. I do say seriously that it shows how far arbitrary power will go when it gets under a full head of steam. There is hardly anything we can imagine which would go further than this.

I must say that I thought we had seen the limit before, because there have been some rather wide stretches of power requested here. But if anyone had told me that the government would come in with a measure of this kind—not for defence production, because we are accustomed to broad powers for defence production—I would have said, "Just go and roll your hoop." I imagine that this section was really brought on through desire to emulate the Minister of Defence Production (Mr. Howe), who has such wonderful powers about which he tells us so often with such pride. I can imagine that it was really brought about by that kind of competition, the desire to keep up with the Howes.

We must however give the government credit, because they have come through now

in a very handsome manner. They have made an amendment in line with what we advised. How wise they would be, and how much trouble they would save, if they accepted all our advice.

This is not an amendment; it is a repentance, a recantation. This is not a retreat; it is an absolute rout. We in the opposition should seriously thank the government for one thing. I do not suppose that for a long time there has ever been a case where the real function of the opposition has been so well and clearly demonstrated. Within the last few days we have been trying to persuade the government not to pursue another foolish course. We did not succeed. We shall have to let time take its course. We have to let the people become educated. There will be an education of the farmers within a few days—by reason of information given last evening.

Mr. Speaker: Order.

Mr. Macdonnell (Greenwood): Are you cautioning me, Mr. Speaker? I always defer to your slightest wish, as you know. What I wanted to say—perhaps there was a slight digression—was that the government has given us a wonderful chance to demonstrate the real function of the opposition. Within the last few days in the other case there has been some complaint that we were taking a little too much time in trying to get the public to understand the subject. In this case we stood up to the government. I want to give all the opposition credit, because they were all with us. This subject was rather simple, and it was not easy to confuse the public. The public understood, and what have they done? They have come to the assistance of the opposition and we have the results which we all know.

I do not want to waste the time of the house. It is repugnant to me to say anything which would seem like glorifying ourselves but I do say, and it is a conservative statement, that this may well rank as a classic case. I hope it may even get into the text books as a classic example of the power of the opposition to prevent injurious legislation.

It may also remind the people, Mr. Speaker, that the way of the opposition is not always easy. People do not always rate the opposition as high as they should. It may serve to give people a better understanding of the true function of parliament, particularly if the press is interested and brings it to the attention of the people.

Finally, Mr. Speaker, I hope this incident may have the effect of raising the whole institution of parliament. People are often apt to talk about us as if we were just putting in time, as if there were no means whatever of influencing the government, and are apt to say public opinion cannot do anything. I hope this case may stand in the record as a classic example, showing that public influence can still—I was going to say in the twinkling of an eye—actually in the space of two weeks, bring a great!? and powerful!? government to its knees.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Tenders to be invited for works.*

Mr. Macdonnell (Greenwood): There is just one point I want to bring to the minister's attention. In the old act the word "or" comes at the end of subsection (a) and the end of subsection (b). I point out that in the new section there is no "or" at the end of subsection (a), and I suggest that that creates an entirely unexpected situation. Surely that will mean that (a) and (b) have to be read together, and that cannot be the intention. Does the minister not agree?

Mr. Fournier (Hull): Mr. Chairman, I shall ask my colleague the Minister of Agriculture to move an amendment to subsection (a) by adding the word "or" after the word "interest".

Mr. Gardiner: I so move.

Mr. Drew: And subclause (b) also?

Mr. Fournier (Hull): It has it.

Mr. Drew: That is right.

Mr. Gardiner: I move:

That clause 1 be amended by deleting subsection C of section 36 of the Public Works Act as it appears therein, and by substituting the following:

"C. Where the estimated cost of the work is less than fifteen thousand dollars, and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders."

Mr. McLure: Just before the amendment carries I should like to say this with regard to tenders. Last year a similar bill with regard to tendering was brought into the house, which had to do with the postal act. It gives the department too much absolute power to let contracts without calling for tenders.

Mr. Rinfret: Below a thousand dollars.

Mr. McLure: It does not make any difference whether it is below or above; the inequity is right there.

The Chairman: Order. That is not relevant at all to the present bill.

Mr. McLure: I will deal with this as it is. When you do away with tendering you are getting back to the old system of political

patronage. We all know that is an excessively costly way of doing business. Only in the case of an emergency should any contract be let by the Department of Public Works without calling for tenders. We know that if tenders are called and properly handled the public can make a bid to do work, and when they make a bid the department gets the work done better and at a lower cost to the taxpayers of the country. But if we start in and let these contracts, with the officials of the department to judge whether or not they should be let, then it is purely political patronage, and I do not think the bill should pass this house at this time, even if it is the closing of the session, without there being a little more control instead of a reversion to political patronage in the letting of contracts, just as was done in reference to the matter I spoke about a moment ago, namely contracts for rural mail delivery.

Mr. Herridge: Before this amendment passes I want to say that we in this group are very pleased that the minister has recognized the soundness of the arguments of the opposition with respect to the necessity for a limitation in this section. I think the amount suggested, namely $15,000, is very reasonable. Anyone having a knowledge of construction at all will agree with that. I might say, Mr. Chairman, that I have been fairly closely associated with construction projects throughout the years. While I can recognize the dangers of patronage, and I am opposed to patronage, I know the great difficulties that district engineers have in proceeding with work under present conditions. I am in favour of a considerable amount of flexibility and placing in the hands of the district engineers more power than they have today to make immediate decisions. I know that important work has been delayed because the engineers have had to refer to Ottawa and could not make a decision on the ground to buy certain materials, or to get certain work done, because the man who was willing to do it at a certain price could not do it at a later date, and so on. I think that has to be considered when we are dealing with public works tenders and public works projects. We in this group are very pleased to see this amendment; we think it is most satisfactory.

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[Mr. McLure.]

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, may I suggest that we have time to take up this little Bill No. 15, which concerns privileges and immunities in respect of the North Atlantic Treaty Organization. I understand that the Secretary of State for External Affairs (Mr. Pearson) has consulted with members of the opposition, who seem to have no serious objection to bringing it on at the present time. If it were to bring about a long debate we would have to withdraw it to come back to NATO. It has been before a committee of the house, and it is now to go to the committee of the whole. Second reading has been given to the bill and it has been reported back from the committee on external affairs. If I can have the agreement of the house we will proceed with the item.

NORTH ATLANTIC TREATY ORGANIZATION

MEASURE TO APPROVE AGREEMENT ON STATUS OF ORGANIZATION, NATIONAL REPRESENTATIVES AND INTERNATIONAL STAFF

Hon. L. B. Pearson (Secretary of State for External Affairs) moved that the house go into committee to consider Bill No. 15, to provide for privileges and immunities in respect of the North Atlantic Treaty Organization.

Motion agreed to, and the house went into committee, Mr. Dion in the chair.

On section 1—*Short title.*

Mr. Graydon: I have only one question to ask; I asked a number of them in the committee. The minister was away when the committee sat and did not have an opportunity to answer this question. It has to do with the NATO organization itself. In connection with decisions made by the members of the North Atlantic Treaty Organization in council, does there have to be unanimity before a decision is arrived at and a judgment given?

Mr. Pearson: Yes, that is so. No decision has been taken, or indeed I suppose no decision could be taken, in the North Atlantic council which was not concurred in by all of its members.

Mr. Graydon: I have raised the question because some people took umbrage at my saying there was a veto in NATO. Apparently that is really what it amounts to.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

PROROGATION OF PARLIAMENT

Mr. Deputy Speaker: I have the honour to inform the house that I have received the following communication:

Government House, Ottawa,
December 29, 1951

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber at seven o'clock p.m. today, December 29, for the purpose of proroguing the fifth session of the twenty-first parliament.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Assistant Secretary to the Governor General

[*Later*]:

Mr. Speaker: I have the honour to inform the house that the Deputy of His Excellency the Governor General will proceed to the Senate at 6.15 p.m. instead of seven o'clock as previously announced.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL FOR ACCESSION OF GREECE AND TURKEY

The house resumed consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of Greece and Turkey, signed by Canada at London on October 17, 1951, and that this house do approve the same.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to say only a word or two on this resolution, not to ask questions and certainly not to make any new suggestions, but just because I find the occasion not only an important one but, in a way, a rather moving one.

I should like to say just a word or two about these two nations which are now to be associated with us in this new way. It touches the imagination, first of all geographically, when one realizes that the north Atlantic is now being extended through the straits of Gibraltar and two thousand miles through the Mediterranean and the Aegean to Turkey and Greece. As the hon. member for Peel (Mr. Graydon) said this morning, when we think of those countries, we think of them as being close to the danger, and feeling a realism about it which perhaps it is hard for us always to feel.

Then I should like to say just a word about what might be called the historic side. First of all, Turkey: sometimes we have been in alliance with Turkey, and sometimes in opposition. But in whichever quality we had to do with them it was the testimony of all, whether friend or enemy, that they were brave and chivalrous. I remember well in the first great war that those who fought against them in the peninsula always spoke of them as gentlemen.

And when we come to Greece, none of us can forget that our whole civilization owes more than we can ever express to Greece. I would like to read just a sentence from, I suppose, the greatest exposition ever made of what we owe to the Greeks. It was not made for that purpose. It was made hundreds of years before Christ by a great Greek speaking over the graves of those who had fallen in war. He describes in a sentence or two the civilization from which we have taken so much and by which we now live. This is the speech put into the mouth of Pericles by the great Greek historian Thucydides, where he says, speaking of Athens:

For we enjoy a form of government which does not copy the laws of our neighbours; but we are ourselves rather a pattern to others than imitators of them. In name, from its not being administered for the benefit of the few, but of the many, it is called a democracy; but with regard to its laws, all enjoy equality, as concerns their private differences; while with regard to public rank, according as each man has reputation for any thing, he is preferred for public honours, not so much from consideration of party, as of merit; nor, again, on the ground of poverty, while he is able to do the state any good service, is he prevented by the obscurity of his position.

Coming to more modern days we remember what the Greeks endured in the autumn of 1940 and from then on. We remember how they resisted what looked like an overwhelming force, how they fought on through the war, and endured and suffered in the war years and after those years. Then, in these latest days of all, there is fighting in Korea which again they share with us, and where the Turks notably have distinguished themselves in battle as they have so often done before.

For these reasons, Mr. Speaker, I felt I wished to detain the house for only a moment to signify my satisfaction with what is being done today.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to follow the hon. member for Greenwood (Mr. Macdonnell) in a similar vein. There is a very special significance to the steps we are now taking to play our part in approving the arrangement made to bring Greece and Turkey into the North Atlantic Treaty Organization.

Greece was the birthplace of western democracy. Greece has given to the world the greatest of its art and culture, which really laid the foundation for those stronger societies which grew up in Italy and other parts of Europe in the years that followed.

I should think that at this time, when we are all hoping that the efforts that are being made may preserve peace and the freedom to pursue our own democratic way of life, it is particularly significant that Greece should be joined in this endeavour.

There is in addition to this the fact that the people of Greece have demonstrated their willingness to make great sacrifices in the cause to which we are now all committed. As the Secretary of State for External Affairs (Mr. Pearson) said this morning, the approval of this arrangement by the governments of all the nations joined in this organization would mean that an attack on either Greece or Turkey would immediately meet with the military response implicit in the North Atlantic treaty agreements. Greece has already within her own borders faced the communist beast. I think every one of us here can say with deep sincerity: Thank God they won. They overcame communist forces, trained, organized and supported from across their borders under the direction of Moscow. They have shown what free men can do against these evil forces. Therefore I think there should be in the heart and mind of each of us a feeling of gratitude and rejoicing that they will be associated with us in this supreme responsibility.

Glorious Greece, with a proud history of the past, now marching side by side with the western democracies, can have reason to hope for the glories which will come through the opportunities that are being opened to nations without great resources by the scientific achievements of the past few years, particularly through the peaceful employment of atomic power which may completely change the lives of many countries which have found things extremely difficult through inability to meet the requirements of modern industrial needs.

May I turn for a moment to Turkey, which country has been magnificent both in victory and in defeat. As has been said by the hon. member for Greenwood (Mr. Macdonnell), all who have had occasion to meet them as enemies regarded them not only as men of great courage but also as men of chivalry and decent instincts which bring them in spirit within the community of the western world. After the first world war Turkey became the friend of the western democracies and since that time has marched side by side with the western nations in the effort to preserve the freedom of nations of different historical backgrounds and of different religious beliefs, but all sharing one common conviction, that it is only through freedom, that it is only through the preservation of self-government against the threat of communism that we can hope to advance the welfare of the peoples of these countries.

Turkey has shown, as did Greece, a willingness to fight the threat with which we are all confronted in differing degrees. While Turkey did not actually find it necessary to engage in mortal combat with communist forces, as did Greece, nevertheless it was the firmness of Turkey and only that firmness that held back the Russian forces from her borders at the time the northern provinces of Turkey were threatened only a few years ago. Turkey has the distinction of being both a European and an Asiatic nation. On both sides of the Dardanelles it extends to and is in contact with Asia. To the west of the Dardanelles it extends to and is in contact with Europe. Above all, however, it is the buffer in the Mediterranean area between the threat of the physical forces of communist Russia and western civilization. They have already shown the mettle of which they are made. I think we all have reason for satisfaction and confidence when we know that Turkey will be closely associated with us in this common undertaking. I am sure we will assist in every way we can to build up the strength of that great eastern bulwark in the Mediterranean so they may have the physical means to make their courage a strong deterrent to any efforts that might be thought of in the Kremlin, to any idea of repeating the adventure which brought the western world into war with Russia nearly one hundred years ago.

We should not forget that the reason Britain and France fought in the Crimea was the threat to Turkey. I hope the men of the Kremlin will not forget that the western world came to Turkey's defence before and that under an agreement of this nature the men of the western world, in much larger numbers, will come to Turkey's defence if necessary and with greater speed than on that former occasion.

I feel sure that all hon. members agree with what was said by the Secretary of State for External Affairs (Mr. Pearson) that uncertainty is the greatest encouragement to the possibility of war. There is every reason to believe that had there been such a firm undertaking as now exists between the nations of the north Atlantic community there would have been no war in 1914 or in 1939, and that millions of human beings who were slaughtered in those conflicts might have been spared to pursue the peaceful course of their lives. If there is above anything else one clear and shining lesson to be gained from those two wars it is that a clear understanding

that free nations will join to defend freedom is in itself the likeliest way to prevent the possibility of war at any time.

I do hope this may be only one step in a progressive incorporation within the North Atlantic Treaty Organization of those nations which share common ideals of freedom. It may well be that the North Atlantic Treaty Organization will be the only reality unless the United Nations ceases to conduct its meetings in terms of unreality. I continue to hope that the United Nations may fulfil the dreams of those who signed the charter at San Francisco in 1945. I do not believe, however, that anybody is placing the brutal facts before our eyes if they can feel confident that meetings which are used so largely for purposes of spreading communist propaganda and for throwing challenges to the western world in the terms that are used by Vishinsky and his associates can hope to fulfil the great purpose for which the organization was created.

Nothing I have said suggests that we should cease to hope, but I do think the time has come when it is necessary for all the signatories to the charter of the United Nations to remember that there is a provision therein for the exclusion of any nation which does not observe the undertakings of the charter. While that time may not yet have arrived, most certainly members of the United Nations should not let events proceed to a point where the United Nations loses the sanction of integrity and of clear purpose simply because of its unwillingness to face the reality of the Russian course.

May I pass from that to say that I would hope, no matter how brief it may be, we may have some comments from the Minister of Finance (Mr. Abbott), because he too had some part in the discussions related to this subject and, as has already been pointed out, the financial arrangements are part and parcel of our support of our partners in this great enterprise. The Minister of National Defence (Mr. Claxton) is of course unable to make a direct report as he is now outside of the country.

Before I sit down I wish to refer briefly to one aspect of the problem which can never at any time be separated from the consideration of this subject. The North Atlantic Treaty Organization must depend for the success of its efforts to preserve peace upon the combined military power of the nations which are members of that organization. I do not think it would be in keeping with our responsibility to end this session without reference to the disturbing situation which was disclosed by the few meetings of the committee on defence expenditures. In the *Financial Post* of December 22 there is a chart which shows in a very clear way the difference between the commitments for defence requirements and the amount that has actually been spent from April, 1950 to the end of November, 1951.

I would commend to the consideration of every hon. member the graphic illustration of these figures which appears on the front page of the second section of the *Financial Post* of December 22. It will be seen that the amounts spent in relation to the commitments during that period are in most cases proportionately very small. Having said that, I wish to make it quite clear that I recognize that some considerable part of the amount represented by commitments will take some time to complete. Nevertheless, having regard to the fact that the chart covers a period from April of 1950 to November of 1951, and realizing that the expenditures represent for all practical purposes the amount completed, because payments are made upon delivery or very shortly afterwards, it would be wise to see what the situation is with respect to some of these things that are of such very great importance in the defence of Canada. In the case of aircraft the estimated value of the commitments over that extended period is $788,600,000, and the amount spent is $157 million. It should be recognized that the amount spent does not represent aircraft in service in a great many cases because much of that expenditure is for aircraft which have not yet been commissioned for active service.

I am not going to go through the whole chart because it is there to be seen and to be quickly understood, but I would point to the figures on small arms. Commitments for small arms, rifles and machine guns of different types, amount to $25,200,000 yet the amount spent is only $1,200,000. That indicates a very dangerous delay in those weapons which are the basic weapons of defence for our land forces. After all, it is frequently said that the infantry is still the queen of battle, and that in the end it is the infantry upon which we must rely. No matter how effective our air or other forces may be, it is the infantry which completes the task, and these are the basic and essential weapons of the infantry. We did not get very much detailed information in the committee on defence expenditures because we met so late in the session and only for a few meetings, because of the decision of the majority of the committee that we would not meet more often. Nevertheless, there is information which I think every hon. member of this

house should bear in mind because when we talk of the effectiveness of the North Atlantic Treaty Organization we must not forget that its effectiveness to preserve peace will depend upon what we have in reality and not on what we simply have on order.

I would point out that in the statement tabled with the committee on defence expenditures on December 13 by the deputy minister of defence production we found, for instance, that in the case of small arms there is as yet no service rifle on order in any Canadian factory or government arsenal. May I repeat that. There is as yet no Canadian rifle on order, let alone in production, in any Canadian arsenal or factory. When I speak of a service rifle I am not, of course, speaking of the ·22 calibre rifle or of the other rifles that are used for special purposes. I have before me the list, and it shows that the only rifles on order in Canada with any Canadian arsenal or factory are 1,176 ·22 calibre rifles—which are only practice or target rifles or for use of that kind—and 4,440 survival weapons of ·22 calibre which are for the use of aircrew or other military detachments who might find it necessary to live on the country if they were separated from their ordinary sources of supply.

May I point out that there are no rifles on firm order from anyone else. I am talking now about service rifles with the meaning applied to that term that is understood by the Department of National Defence. A tentative order was placed with the United States government for 20,951 ·30 calibre rifles, but that order has been suspended. In other words, at this stage of this great crisis the Canadian government has not only no firm order for rifles for our infantry or other armed services—that is, of the hard-hitting service pattern—but it has no orders placed in our own country for the manufacture of those rifles. In fact there is good reason to believe that the Canadian government has not yet made up its mind as to which calibre of rifle it is going to make.

That, I suggest, is a situation which should cause grave concern to every Canadian at a time when we are expecting the huge expenditures that we are approving to produce positive and real results in the form of armed and trained men ready to take their part in the defence of freedom. I can only repeat that it is the actual military strength we show that offers the one real hope of peace.

Then may I also point out that while orders have been placed with Canadian Arsenals Limited for Browning ·5 machine guns, although these defence preparations have been under way for so long, and although the value of the commitments for those is $14,601,228, all that has been spent up to this month is $26,620. The very insignificance of that figure shows how little progress has been made in equipping our defence forces with machine guns of this type.

Then when we come to artillery weapons, which are the other major weapons of the land forces, I find in the same report, tabled on December 13, the only artillery weapons for which orders have been placed in Canada, either with any Canadian arsenal or with any private industry, are the following:

Supplier	Item	Estimated Value	Expenditure
Sorel Industries Ltd.	138 105mm. howitzers	$1,500,000	nil
Sorel Industries Ltd.	29 155mm. howitzers	650,000	nil
Sorel Industries Ltd.	180 155mm. howitzers	3,960,000	nil

I would not wish to pass through these statements without saying that certain artillery weapons have been ordered from the United States government in comparatively small amounts. For instance, I find that in the case of 59 4·2" mortars, ordered from the United States government at an estimated cost of $141,070, there is no indication of the amount spent; although I understand that in this case there may have been some expenditure because it was under a blanket payment to the United States government. It may well be that all those guns have actually been acquired.

I would remind the members of this house, Mr. Speaker, that we have constantly heard Canada described, in this house and elsewhere, as one of the great arsenals of democracy. If we are not preparing to be the arsenal for our own defence forces, we are not preparing very effectively to be the arsenal for the defence forces of other countries. As we accept these responsibilities, with the clear evidence that the people of Canada support the members of this house in the acceptance of these responsibilities, with our industrial skill, with the capacity that was demonstrated by the

workers and the technicians of this country to produce arms and military equipment during the last war, it is the duty of the members of this house to insist that we shall be producing the rifles, machine guns, artillery weapons and other things that we have made in the past and can make now as well as any other country in the world. This is so closely related to this whole problem that I hope that when we return for the next session there will be very positive evidence that the delay in facing this issue has changed to vigorous action, and that the tremendous productive skill and capacity of this country will be at work supplying our defence forces with the weapons and equipment they need.

I can only express the hope that the Secretary of State for External Affairs (Mr. Pearson) in closing this debate will go somewhat further than he did when a question was asked earlier today. He was asked what position Canada had taken in the vote on December 22 in Paris when Greece, by a very narrow margin, became a member of the United Nations security council. We were told that those meetings are secret, and for that reason Canada's vote should not be disclosed. The governments of the member nations of the United Nations know how Canada voted. The fact is that I believe most of the members of this house know how Canada voted. After all, these things are discussed and should be discussed. I believe the members of this house have a right to know officially, as most of them know privately, and I believe the people of Canada have the right to know how Canada voted on this particular occasion. After all, it has been the subject of discussion in the press.

I would refer to a Canadian Press dispatch of December 20 from Paris which had this to say:

> Greece narrowly won a seat today as eastern Europe's representative, in record-breaking balloting for a place on the United Nations security council.
>
> Strong United States backing of Greece over Byelorussia was reported to have finally won over Britain and France to help break the deadlock.
>
> Besides the temporary British-American split on the touchy issue, the commonwealth was divided on the question, informed sources said. Although the balloting was secret, these sources said Canada, Australia, New Zealand and Pakistan backed Byelorussia.

I grant that the government is not bound by a statement in a Canadian Press dispatch to the effect that informed sources said that Canada voted for the election of Byelorussia. But let us face reality. This Canadian Press dispatch was published right across Canada, and I am sure most Canadians accept that statement as being accurate. If it is not accurate let the minister say so. If it is accurate, then let him say so as well. The reasons for secrecy while the discussions and voting are taking place are obvious. There are difficulties enough in dealing with matters of this kind without the pressures which might perhaps be exerted if some of these discussions were not held in secret. I can see reasons for that secrecy up to the point when the vote is taken. But I believe that after the vote has been taken, a vote known to the government of every member of the United Nations, the members of this and other legislative bodies have the right to know how Canada did vote.

I have no hesitation in saying that I think it would be the strong opinion of the people of Canada that Canada should not have backed Byelorussia for election to the security council as against Greece, whom we now welcome as a member of the North Atlantic Treaty Organization. Temporizing of that kind was the thing that brought on the last world war. Temporizing has not stopped any dictator or military aggressor in the past. In 1940 and 1941, as well as the years that followed, we all said with deep conviction that never again if it was within our power would we see the word "appeasement" written in letters of blood across the face of the world. I, for one, am unable to see what it could be but appeasement to support the election of Byelorussia, which for all practical purposes is an integral part of Russia itself, and at a time when Greece, the birthplace of democracy, was about to be welcomed as a member of the North Atlantic Treaty Organization. I hope that in his reply, on this day when we welcome Greece into this fellowship, the minister will recognize that secrecy has no meaning now and that the members of this house are entitled to know where Canada stood, so they may express their opinion with knowledge as to what course they would hope Canada would follow in the future in regard to the inclusion of any countries which have demonstrated that they believe in aggression if they can get away with it.

Mr. Pearson: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. L. B. Pearson (Secretary of State for External Affairs): It remains for me to close this discussion, and I suppose in a sense to end this session. In doing so I should like in the first place, on behalf of the government, to echo, though in less eloquent terms than those which have been used by the leader of the opposition (Mr. Drew), the feeling that we must all have when we contemplate the

acceptance by this house of a protocol which will add Greece and Turkey to our numbers in the North Atlantic Treaty Organization. Canada, Mr. Speaker, owes much to the glory that was Greece two thousand years ago, and owes much to the courage that is Greece today. Therefore we welcome the membership of Greece in this association as strengthening and deepening the ties which already unite our two countries.

As for Turkey, the Turks have shown, both with us and against us, that they are steady and do not panic, and that they do not frighten easily. These are qualities, Mr. Speaker, which will stand us all in good stead today, qualities I may add which I learned during the years 1915 and 1916 in the Mediterranean that Turkey possessed.

A good many points have been raised in the discussion of this resolution which went somewhat beyond the purpose of the resolution itself, as indeed it was desirable to do. They probably deserve a longer reply than I am able to give today. I know the house regrets—this was specifically mentioned by the hon. member for Peace River (Mr. Low)—that a discussion of this kind had to come in the closing hours of the session. All of us could have wished that this discussion—it is hardly a debate—had taken place earlier, and that there had been more time for questioning. I know hon. members will realize that it has not been the policy of this government, in matters of foreign affairs, to conceal anything from this house or from the country that could be told to the house or to the country. And if I do not go into all these matters in as much detail in the closing moments of this session as I would desire and the house would desire, I am sure it will be appreciated that it is owing to the circumstances in which we find ourselves at this moment. However, I would like to deal with some of the points that have been raised.

In the first place, I should like to comment on one or two of the observations made by the leader of the opposition (Mr. Drew). He spent some time on our armament program, and what he considered to be the inadequacies of the program and the progress that has been made in regard to it. I do not intend to go into that in any detail except to make one reference to rifles. It may be that our production of rifles in this country is not as great as any of us would desire; but it is also the case, Mr. Speaker—and I think this is well known to members of the house—that the Canadian government have been doing everything they can to bring about in the North Atlantic countries standardization of this weapon so that in an emergency we would all be using the same rifle, something that is obviously desirable. I think it is fair to say that we have taken a very active part in attempting to standardize rifles, but so far that standardization has not met with agreement on the part of all the members of the council. I should think it would be obviously sensible not to begin the manufacture of a rifle in Canada which a few months from now might be not the rifle agreed upon as the one to be used by the North Atlantic powers. We must hope that agreement will be reached very shortly indeed. Possibly a good deal of progress may be made in this important matter as a result of the visit Mr. Churchill is going to make to Washington very shortly.

The leader of the opposition also said that this was a good time for me to tell the house—I have been asked this already today—how we voted in the recent elections to the security council of the United Nations at the general assembly in Paris. It is, I think, a desirable principle that voting in these elections to United Nations agencies should be kept secret. We do vote in secret. Delegations are not supposed to know how other delegations vote, and there seems to me to be a good reason for that. The leader of the opposition himself stated that otherwise countries might be subjected, especially the smaller countries, to intolerable pressure, and the independence which they desire to exercise as members of the United Nations might be prejudiced if voting became known in this way. But, as the leader of the opposition has said, the voting is now over. It took place some time ago, and this might be a good occasion to inform the house of the action we took. I think he said—and I hope I am quoting him correctly—that he understood it was already known in Paris how we voted. The report in the newspaper which he read indicates that at least some people in Paris or some people in Canada do not know how we voted because that report was inaccurate.

When the first ballot was taken at the elections to the security council in Paris the Canadian delegation voted for Greece, Mr. Speaker; and when the eighteenth ballot, I think the last, was taken, Canada voted for Greece.

Mr. Sinclair: Drew is wrong as usual.

Mr. Drew: Mr. Speaker, even having regard to the source of that interjection, and remembering that there is a *Hansard* record, I do not intend to permit that to pass unchallenged. There was nothing wrong, and it was a most unjustified remark, because if the member had been paying any attention—

Mr. Sinclair: I was.

Mr. Drew: —he would have known that I was referring to a press report and to a common understanding which prompted an earlier question. And what I have already said will indicate that no one in the house welcomes more than I do this assurance as to the course Canada followed in this case.

Mr. Pearson: Now, Mr. Speaker, if I may turn to the remarks of the hon. member for Peel (Mr. Graydon) who asked me a good many questions, some of them very searching ones indeed: The hon. member expressed the hope, in commenting on the North Atlantic council meeting in Rome, that we would not have any further intermediate meetings of the council; that at the next meeting in Lisbon—and I think I am quoting his words—we would come out with something worth while. Well, I echo that hope, Mr. Speaker. I should like to mention, however, as indeed the hon. member for Temiscouata (Mr. Pouliot) mentioned, that it is sometimes desirable in matters of this kind not to act too quickly, but to act surely and to act right. Possibly the delays that may have taken place in the consideration of some of these vitally important matters may be well justified if at the next meeting, or at an early meeting of the North Atlantic council, we come to the right decision.

I would also like to point out that the North Atlantic council has already come out with something worth while. It will be a great mistake indeed if the impression is created that this organization has not a record of constructive achievement to its credit already. After all, this organization is not very old, I think something under two years. During that time its members have received and have confidence in the assurance of the collective support they will get from each other. They have drawn up plans to make that support effective, and they have made very considerable progress—though not as much progress as any one of them would like—in implementing those plans. We have an integrated force now for the defence of the Atlantic area, and we have a supreme command under a supreme commander—and he is supreme in more ways than one—General Eisenhower. I think by what we have already done in the North Atlantic organization a contribution has been made not only in Europe but in the whole world to peace and stability. This organization is not a failure and is not going to be a failure. It has had its disappointments, of course, but it has taken on one of the biggest collective jobs in history, and in two years it has made a real contribution to that job.

I agree with the leader of the opposition and with other hon. members who have said that what we must do in pursuing our work with the North Atlantic organization is to remove uncertainty, to remove hesitation if possible, to leave no country in any doubt as to what will happen if that country contemplates or undertakes aggression. In emphasizing this point, and rightly so, the hon. member for Peel used the illustration of Korea, and asked what would have happened if there had been no uncertainty in Korea when the aggression began there a year and a half ago; and he said that it was the hesitation as to what might happen in Korea which probably brought about that aggression. That may or may not be true. The corollary to that statement surely is that hesitation is almost inevitable when one is weak. And in Korea the free nations were very weak indeed. In order not to have that kind of hesitation in Europe we must get strong; and we are getting stronger in the North Atlantic organization.

The hon. member for Peel went on to ask about the new commitments that we were undertaking in accepting this protocol, new commitments for Canada. I think he put it in this way, by saying that they were the most far-flung military commitments we have ever contemplated. That may be true; but I would point out—indeed, I think hon. members would agree with me—that the absence of commitments does not save us from involvement in war. History has shown that. Effective commitments, however, might make war impossible. And by adding to our commitments in the way which we are now doing, in theory at least, we are adopting a course which may make them unlikely ever to be discharged. In other words, these new commitments are commitments for peace. It is because of this that there is such unanimity in this house and indeed in the country in regard to these new commitments.

The hon. member for Peace River (Mr. Low) in discussing this aspect of the question said that while he did not object to these new commitments, for the reasons I have indicated, the people of Canada should be aware of their implications. I agree entirely they should be aware of those implications; and when they are aware of them they will realize, as we do, that they are commitments to prevent war, to make war impossible. As such we all welcome them.

In so far as the new members of NATO are concerned—we hope that shortly they will become new members—the hon. member for Peel said this morning they should come in as partners. That is what the North Atlantic

organization is. It is based upon partnership. Greece and Turkey will accept all the obligations as they will enjoy all the privileges of membership, and we are happy to have them with us in that capacity.

The hon. member for Temiscouata (Mr. Pouliot), who is not now in his seat, indicated that inside the North Atlantic organization there may be growing up a sort of inner group of members who were dominating the organization, and he suggested that the organization was losing the basis of equality on which it was founded. I assure the house that that is not so. Naturally in any organization of this kind, any international organization which has as its members states so far apart in power and responsibility as the United States of America and Iceland, some members will have to accept greater responsibility than others, and some members will exercise greater influence than others. That is obvious, and in the circumstances it is probably desirable. But around the conference table we are all equal, and no one attempts to dominate anybody else. In that respect I might say the North Atlantic council is in pleasant contrast to some other international committees which come to one's mind.

On other matters not so closely related to the protocol the hon. member for Peel was inclined to be constructively critical about what had been going on. He contrasted the willingness of the government to accept these new commitments in a new area in the Middle East—and it was to that I believe he was referring, if he did not actually say it—to our indifference or our coolness with respect to the meeting of commonwealth countries called not so long ago to discuss defence in the same general area. He felt there was some inconsistency between the two positions. I do not believe there was any inconsistency. We have been discussing this matter of the admission of Greece and Turkey for many months. We have contemplated alternative arrangements which did not seem suitable. We have come to the conclusion that this is the best way to effect the greatest defensive strength in our alliance. We have accepted them wholeheartedly.

But that does not necessarily mean that our military commitments as such will extend to that area in the same way that we have accepted such commitments in western Europe. It might well be—and I am not dogmatic about this, because it is dangerous as well as unwise to be dogmatic in these matters—that the military commitments for that part of the North Atlantic treaty area—it is difficult to think of the eastern Mediterranean as the North Atlantic area—it might well be that the military commitments out there and the military planning and the military arrangements there may not involve for Canada the same kind of participation or planning as is the case in western Europe.

Then the hon. member asked me if we were contemplating any further extensions of the North Atlantic organization. My answer to that is that so far as I know we are not contemplating any further extensions at this time. It is true in a sense that by extending the area of our commitments to the eastern Mediterranean we are getting away from the geographical concept of the North Atlantic pact. But, in the strict sense, the North Atlantic pact never was a regional scheme so much as it was a scheme for collective defence under article 51 of the United Nations charter.

There is no reason in theory, although there may be arguments against it in fact, why an association of this kind should not ask into its membership any member of the United Nations which wishes to accept the price of membership under article 51. I am not suggesting that this should be done, and I am not suggesting that what the hon. member for Peel called an encirclement of the globe by these collective security arrangements under article 51 will take place. But there is nothing to prevent it if in the future it is desired that it should be done in the interests of national security and in the interests of peace everywhere.

Then at the end of his speech the hon. member asked me four or five questions about the operations of NATO itself. He was curious about the Canadian relationship to what has been referred to as the T.C.C. report. He indicated on the basis of a press dispatch—and I am not quarrelling with him for this—that that report showed we had not met our commitments as a member of the North Atlantic organization.

I would like to assure the house, Mr. Speaker, that no such interpretation of the T.C.C. report would be justified. I can assure the house also that we are meeting our commitments under the North Atlantic pact, and that we will continue to do so. The T.C.C. report—I tried to explain it this morning, although possibly not sufficiently—was in the first instance a document drawn up by three of its members who were chosen by the twelve to be their executive committee. It was a report which went into the question of military requirements and the resources of the various countries which could be devoted to meeting those requirements.

There was a military section of the report—a screening and costing study, it was called—

which went into the military plans to see if they were realistic, to see if those that had already been drawn up by the military committee of the North Atlantic council were realistic, whether they could be cut or whether there should be additions to them.

Having done that the report examined what was called the political and economic capabilities of the various members to see if those capabilities matched the military requirements. When this study was completed by the committee of three, after they had discussed the various national programs with the national representatives, their report, as a report of the small committee, was then sent to the full committee of twelve. We have now had an opportunity of examining that report at a meeting of the committee of twelve. It has been sent back to us for governmental consideration. After being considered by the governments there will be another committee meeting on January 15. At that time we have reason to hope and believe there will be a report for the North Atlantic council which will be unanimously agreed to by all the members.

Until that report is received and until some member of the council gets up and states that he is not able to accept it there can be no question of any member of the council being charged with inability or lack of desire to meet its commitments. That is the situation so far as Canada is concerned, and indeed so far as the other countries are concerned.

My hon. friend also asked me how many months behind schedule were the NATO military plans and whether there was likely to be a breakdown of those plans. Although I have not the time to go into the matter, I would say there has been no breakdown of NATO military plans and it is not realistic at the present time to talk about those plans being behind schedule. The plans are being changed continually by the military committees of the organization, and they may be changed further as a result of this T.C.C. report. In some respects the plans are being speeded up over the original plans and in other respects they are being extended. I am afraid that will be the situation for years ahead. They will be continually reviewed. At the present time no member country is satisfied with the progress that is being made, and I hope that we will continue to be impatient with that progress. But it is not accurate to say that there is any likelihood of any of these plans breaking down or any likelihood of the NATO organization breaking down in any respect.

I should like to turn for a moment to the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell). The hon. member was preoccupied with the lack of progress in the non-military aspect of co-operation, and was anxious to know what we were doing in regard to expediting and increasing that kind of co-operation between members. I did not say very much about that this morning but I can add a few words to what I said then. As the hon. member and house know, non-military co-operation under the North Atlantic pact has been one of the primary objectives of Canadian participation in the pact. We have never faltered in our desire to see article 2 implemented to the fullest possible extent. It was partly as a result of our initiative that a special council committee was set up last September to go into the whole question. That committee got to work in London in October and had a report for the Rome meeting in November. It was obvious that in the course of four or five weeks that committee could not make a very exhaustive report on the subject, but it has made a beginning and there will be a fuller report made to the Lisbon meeting.

One of the difficulties that confronts us when we go into this question of non-military co-operation is to make sure that in building up the co-operation which is desirable within NATO we do not prejudice the co-operation which exists between NATO countries and countries that are not members of NATO. We do not want to add another overlapping agency to a lot of other agencies. Also, some members are interested particularly in certain aspects of non-military co-operation that they desire to push, and other members have their own non-military interests. One or two of the countries in our committee for instance were particularly interested in using the NATO organization for migration purposes and the movement of labour. That is a subject of importance to all members, but it is one that cannot be settled in a week or a month or possibly a year.

Great interest has also been displayed in the possibility of improving political consultation among all members of NATO so that no one member of the organization would be confronted with an important political decision by another country without there having been an opportunity for consultation in the council itself. We are trying to work out ways and means by which that kind of consultation may be carried on almost continuously. This may require a reorganization of NATO itself. It may even require having the North Atlantic council

in continuous session, just as the security council of the United Nations is in continuous session.

I want to assure you, however, that it will not mean that the foreign ministers will be in continuous session at the North Atlantic council and away from their homes. What it may mean is that the authority of the deputies who now constitute a subordinate body will have to be increased so we will have something like continuous sessions where the representatives present will have sufficient authority to take action on behalf of their governments. This again is a decision which cannot be reached easily or hurriedly by governments. In Rome we were certainly not at a point where we could all agree on that.

I mention these things merely to show that we are not neglecting the implementation of article 2. We are not unaware of the importance of forms of co-operation other than military.

The hon. member for Peace River (Mr. Low) indicated in his interesting contribution to the discussion that he was worried to some extent because people in this country were not aware of the full implications of what we are doing. I agree that one of the important tasks ahead of the NATO organization is providing for public information. That was one of the subjects we discussed in the committee of five, and it is one to which we are giving a great deal of attention. As this international organization develops we do not want to give the impression that we are working behind the scenes. If we do not have public opinion behind us in this development we will not succeed. It seems to me to be the part of elementary wisdom that we let our people know everything we possibly can about what we are doing and what we are trying to do. I assure the house that that is very much in the mind of the Canadian government.

I think, Mr. Speaker, that this is all I can say at this time in regard to this matter. However before I sit down perhaps I might say one word on the general situation as I found it in Europe after a visit of some weeks to the United Nations assembly, to the NATO council and a week or ten days in London. I would hesitate very much to toss off an *ex cathedra* opinion on a subject of such transcendental importance as the peace of the world.

Mr. Fulton: So long as you do not claim infallibility, it will be all right.

Mr. Pearson: I certainly do not claim that. The impression I brought back—I think the same impression was also in the minds of others who came back with me, such as the Secretary of State of the United States—was that there has been no deterioration in the situation over the last year. To put it at its lowest, the gap has not widened and we are holding our own. If you can get much comfort out of that, you are entitled to it. However, we will not continue to hold our own unless we build up, as we are trying to do, our collective strength. With all its disappointments and apparent setbacks, there can be no agency more effective for that purpose than the North Atlantic Treaty Organization. We are making that organization stronger, not only militarily—military strength has never provided a permanent foundation for peace—but also politically. We are building up an association of states who are willing to work together in peace and who, if they have to, will work and fight together in war. We are getting stronger and that strength has increased and will increase with the membership of Greece and Turkey in our organization. That strength is for defence alone, that strength is for negotiation. It is not for anything else no matter what the enemies of peace may say. We are putting power behind peace. We are doing that, however, in the knowledge that peace ultimately must rest on something greater even than power.

Motion agreed to.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

In the Senate chamber, the Deputy Governor General was pleased to give, in His Majesty's name, the royal assent to the following bills:

An act to amend the Combines Investigation Act.

An act to amend the Prairie Farm Assistance Act, 1939.

An act to provide for privileges and immunities in respect of the North Atlantic Treaty Organization.

An act to amend the Public Works Act.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name the Right Honourable the Deputy Governor General doth assent to these bills.

PROROGATION OF PARLIAMENT

After which the Deputy Governor General was pleased to close the fifth session of the

twenty-first parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The people of Canada have been deeply gratified by the rapid and steady recovery of the King's health. The transcontinental tour of Their Royal Highnesses The Princess Elizabeth and the Duke of Edinburgh was the occasion for a universal and heartfelt manifestation of the attachment of the Canadian people to the crown and the royal family.

Throughout the session, my ministers have continued to give constant attention to the policy of seeking the security of our country in co-operation with other peace-loving peoples through the establishment of real and lasting peace.

To resist aggression there and to discourage aggression elsewhere, armed forces of our country, combined with the United Nations' contingents from other countries, are performing their duties in Korea with valour and distinction. Meanwhile, negotiations to bring about a cease-fire have been undertaken and are continuing.

Elements of the army and air force have been dispatched to Europe to form part of the integrated force under the command of General Eisenhower.

In furtherance of our international policies, certain of my ministers have been absent from Canada for sessions of the general assembly and other organs of the United Nations, for meetings of the council and other organs of the North Atlantic Treaty Organization; and for the negotiation of a Pacific fisheries treaty with the United States and Japan.

You have approved a protocol which provides for the extending of an invitation to Greece and Turkey to join the North Atlantic alliance.

You have enacted legislation to implement agreements between the parties to the North Atlantic treaty regarding the status of their forces. You also enacted a measure respecting the Canadian forces.

The Pension Act has been amended to provide for substantial increases in the rates of pension for disabled veterans and widows of veterans and for their dependents.

In response to the main purpose for which you were summoned to the present session, you have enacted a measure to provide for the payment, from January 1, 1952, of pensions as a matter of right and without a means test to all Canadians with appropriate residence qualifications who have attained the age of seventy years.

You have given your approval to a measure to prohibit persons engaged in manufacturing, buying or selling articles or commodities from fixing specific or minimum resale prices.

You have authorized the creation of a corporation to be known as the St. Lawrence seaway authority for the purpose of constructing, operating and maintaining, either alone or in co-operation with the United States, a deep waterway between Montreal and lake Erie.

You have also approved an agreement between the government of Canada and the government of the province of Ontario with respect to the development by Ontario, concurrently with an appropriate authority in the United States, of hydroelectric power in the international rapids section of the St. Lawrence river.

The Railway Act, the Canadian National-Canadian Pacific Act and the Maritime Freight Rates Act have been amended in general conformity with the recommendations of the royal commission on transportation.

You have made legislative provision for a limited guarantee of short-term bank credit to grain producers in the prairie provinces, in order to meet temporary financial difficulties resulting from inclement weather during the harvest season.

You have passed legislation embodying recommendations of the royal commission on national development in the arts, letters and sciences with respect to radio broadcasting. You have also revised the legislation respecting the national gallery of Canada along the lines of the recommendations of the commission. My government is continuing to give careful consideration to other recommendations in the commission's report.

You enacted measures respecting the agricultural products board, Canada lands surveys, the revised statutes of Canada and the international convention for the regulation of whaling.

Amendments have been made to the Dominion Elections Act; the Judges Act, 1946; the Exchequer Court Act; the Supreme Court Act; the Public Printing and Stationery Act; the Bills of Exchange Act; the Canada-United States of America Tax Convention Acts of 1943 and 1944; the Civil Service Act; the Toronto Harbour Commissioners Act; and the North Fraser Harbour Commissioners Act.

You enacted a measure providing for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue its blessings upon our nation and upon the efforts of peace-loving peoples to establish the rule of law in the relations between nations.

This concluded the fifth session of the twenty-first parliament.

END OF SESSION